



**AGENDA
CITY OF LAUREL
CITY COUNCIL MEETING
TUESDAY, DECEMBER 04, 2018
6:30 PM
COUNCIL CHAMBERS**

NEXT RES. NO.
R18-82

NEXT ORD. NO.
O18-02

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified times for citizen comments on its agenda -- once following the Consent Agenda, at which time citizens may address the Council concerning any brief community announcement not to exceed one minute in duration for any speaker; and again following Items Removed from the Consent Agenda, at which time citizens may address the Council on any matter of City business that is not on tonight's agenda. Each speaker will be limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. Citizens may also comment on any item removed from the consent agenda prior to council action, with each speaker limited to three minutes, unless the time limit is extended by the Mayor with the consent of the Council. If a citizen would like to comment on an agenda item, we ask that you wait until the agenda item is presented to the Council by the Mayor and the public is asked to comment by the Mayor. Once again, each speaker is limited to three minutes.

Any person who has any question concerning any agenda item may call the City Clerk-Treasurer's office to make an inquiry concerning the nature of the item described on the agenda. Your City government welcomes your interest and hopes you will attend the Laurel City Council meetings often.

Pledge of Allegiance

Roll Call of the Council

Approval of Minutes

- [1.](#) City Council Minutes of November 20, 2018

Correspondence

Council Disclosure of Ex Parte Communications

Public Hearing

Consent Items

NOTICE TO THE PUBLIC

The Consent Calendar adopting the printed Recommended Council Action will be enacted with one vote. **The Mayor will first ask the Council members if any Council member wishes to remove any item from the Consent Calendar for discussion and consideration.** The matters removed from the Consent Calendar will be considered individually at the end of this Agenda under "Items Removed from the Consent Calendar." (See Section 12.) The entire Consent Calendar, with the exception of items removed to be discussed under "Items Removed from the Consent Calendar," is then voted upon by roll call under one motion.

2. Claims for the month of November 2018.
3. Approval of Payroll Register for PPE 11/18/18 totaling \$176,103.90.
- [4.](#) Receiving the Committee/Board Minutes into the Record:
 Budget/Finance Committee Minutes of November 20, 2018.
 Public Works Committee Minutes of November 19, 2018.

Ceremonial Calendar

- [5.](#) Arbor Day Proclamation 2019

Reports of Boards and Commissions

Audience Participation (Three-Minute Limit)

Citizens may address the Council regarding any item of City business that is not on tonight's agenda. Comments regarding tonight's agenda items will be accepted under Scheduled Matters. The duration for an individual speaking under Audience

Participation is limited to three minutes. While all comments are welcome, the Council will not take action on any item not on the agenda.

Scheduled Matters

- [6.](#) Airport Authority Appointment for a five-year term ending 12/31/2023.
Jame Swensgard
- [7.](#) Appointment of Mardie Spalinger to Laurel Urban Renewal Agency for a four-year term ending 12/31/2022.
- [8.](#) Resolution No. R18-82: A resolution of the City Council resetting the January 1, 2019, Council Meeting to January 2, 2019.
- [9.](#) Resolution No. R18-83: Resolution Relating to \$4,921,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2018; Authorizing the Issuance and Fixing the Terms and Conditions Thereof
- [10.](#) Resolution No. R18-84: A resolution of the City Council granting permission for a property owner to utilized decorative gravel and rock along a portion of the boulevard adjacent to the owner's property located in the City of Laurel.

Items Removed From the Consent Agenda

Community Announcements (One-Minute Limit)

This portion of the meeting is to provide an opportunity for citizens to address the Council regarding community announcements. The duration for an individual speaking under Community Announcements is limited to one minute. While all comments are welcome, the Council will not take action on any item not on the agenda.

Council Discussion

Council members may give the City Council a brief report regarding committees or groups in which they are involved.

Mayor Updates

Unscheduled Matters

Adjournment

The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, Ext. 2, or write to City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.

DATES TO REMEMBER

Backup material for agenda item:

City Council Minutes of November 20, 2018

DRAFT

MINUTES OF THE CITY COUNCIL OF LAUREL

November 20, 2018

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Mayor Tom Nelson at 6:32 p.m. on November 20, 2018.

COUNCIL MEMBERS PRESENT: Emelie Eaton Heidi Sparks
 Bruce McGee Richard Herr
 Scot Stokes Irv Wilke
 Richard Klose Bill Mountsier

COUNCIL MEMBERS ABSENT: None

OTHER STAFF PRESENT: Forrest Sanderson, Interim Planner

Mayor Nelson led the Pledge of Allegiance to the American flag.

Mayor Nelson asked the council to observe a moment of silence.

MINUTES:

Motion by Council Member McGee to approve the minutes of the regular meeting of November 6, 2018, as presented, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

CORRESPONDENCE:

- Laurel Chamber of Commerce minutes of October 11, 2018; Laurel Chamber of Commerce Agenda of November 8, 2018.

COUNCIL DISCLOSURE OF EX PARTE COMMUNICATIONS: None.

PUBLIC HEARING: None.

CONSENT ITEMS:

- **Claims for the month of November 2018 in the amount of \$286,619.68.**
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.
- **Clerk/Treasurer Financial Statements for the month of October 2018.**
- **Approval of Payroll Register for PPE 11/4/2018 totaling \$209,224.15.**
- **Receiving the Committee/Board/Commission Reports into the Record.**
 - Budget/Finance Committee minutes of November 6, 2018, were presented.
 - Council Workshop minutes of August 14, 2018, were presented.
 - Council Workshop minutes of August 28, 2018, were presented.
 - Council Workshop minutes of September 24, 2018, were presented.
 - Council Workshop minutes of October 9, 2018, were presented.
 - Council Workshop minutes of October 30, 2018, were presented.
 - Library Board minutes of October 9, 2018 were presented.
 - City-County Planning Board minutes of November 1, 2018, were presented.

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--Public Works Committee minutes of October 15, 2018, were presented.

The mayor asked if there was any separation of consent items. There was none.

Motion by Council Member Eaton to approve the consent items as presented, seconded by Council Member McGee. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**
 - Appointment of Jaime Swecker to LVFD.

Motion by Council Member Stokes to approve the Mayor's appointment of Jaime Swecker to the Laurel Volunteer Fire Department, seconded by Council Member Sparks. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- Re-Appointment of Tony Krumheuer to the Police Commission

Motion by Council Member Klose to approve the re-appointment of Toney Krumheuer to the Police Commission for a three-year term ending December 31, 2021, seconded by Council Member Mountsier. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- Re-Appointment of Norma Cleveland to the Health Board

Motion by Council Member Mountsier to approve the re-appointment of Norma Cleveland to the Health Board for a three-year term ending December 31, 2021, seconded by Council Member Sparks. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- Re-Appointment of Janice Lehman to the LURA Advisory Board

Motion by Council Member Wilke to approve the reappointment of Janice Lehman to the Laurel Urban Renewal Agency Advisory Board for a four-year term ending December 31, 2022, seconded by Council Member Mountsier. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- Re-Appointment of Irv Wilke to the Park Board.

Motion by Council Member Herr to approve the re-appointment of Irv Wilk to Park Board for a four-year term ending December 31, 2022, seconded by Council Member Mountsier. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R18-80: A resolution of the City Council approving an application for special review for the Vue and Brew Theater located at 101 West First Street for the purpose of allowing on-site sales and consumption of alcohol.**

Motion by Council Member Sparks to approve Resolution No. R18-80, seconded by Council Member Eaton.

Chris Voge, 306 E. 4th Street, he is currently the Operating Manager (and part owner) at the Vue and Brew. Mr. Voge read the intent of use to the Council. Prior to applying for special review the Vue and Brew reached out to their followers on Facebook. Out of 473 responses only one was

opposed to the business serving alcohol. The City sent out 57 certified letters to all businesses and residences within a 300-foot radius; there were no complaints. This matter was brought before the City/County Planning Board on November 1, 2018, and was approved unanimously. Time is of the essence as Sonny O'Day's Inc. has their license in a non-use status since the Owl Café closed down earlier this year.

Mr. Vogele spoke regarding the three concerns Council Members had brought up at the November 13, 2018, Council Workshop. The first concern which was the transitory nature of Sonny O'Day's license and what would occur if Sonny O'Day's pulled out of the concession's agreement. Mr. Vogele stated that Sonny O'Day's has been in the Owl Café since the early 2000s. The license does not change names; Sonny O'Day's is responsible for their license and meeting the requirements of the State. The Vue and Brew does not make any money off a concession's agreement. If Sonny O'Day's pulled out of the concessions agreement, the customers would lose out on that opportunity. The next concern stated was that they would not take their grandchildren if someone was next to them drinking a beer. Mr. Vogele asked Council how many places they go that are family orientated and serve beer. The last concern was the proximity to churches. Mr. Vogele stated he has not had one church complain. He stated this may be because they do support the faith-based movement by bringing in faith-based films and opening their spaces for Youth Groups. At City/County Planning Board it was questioned why alcohol. Mr. Vogele spoke to a few reasons, one that customers want it, two soon to be three movie theaters in Billings serve alcohol. Another positive would be that Sonny O'Day's remains in Laurel. This would allow the Vue and Brew to bring in more offerings.

Forrest Sanderson, the Interim Planner, spoke to Council that Council is voting on zoning and land use. LMC spells out the standard review process; this process is listed in LMC 17.68.040. The condition for compliance is as follows: street and road capacity; ingress and egress to adjoining streets; off-street parking; fencing, screening, and landscaping; building bulk and location; usable open space; signs and lighting; and noise, vibration, air pollution, and similar environmental influences. When reviewing a Special Review, these are the criteria that are measured against. If the Council uses any other standard, it runs the risk of being arbitrary and capricious. If Council were to deny a request, they need to do so by the established regulations. The Zoning Commission has held a Public Hearing, reviewed the request, found the use consistent with Title 17, and have given a recommendation for the use to go forward. There are two conditions; both are outside the Councils purview. The first being that the license bouncing around town, the matter before Council is the land use. How often this license transfers is not the Council's authority. That authority is vested in the State of Montana's Department of Revenue. The second component that the Zoning Commission reviewed were the hours of operations, near houses of Worship. In LMC it states that within the Central Business District, in which the Vue and Brew is located, that separation is waived. Council cannot treat this Special Use request any differently than they would any other request, such as Red Neck Pizza or Pizza Hut. Zoning Commission has reviewed this application; he questioned why a Zoning Commission to do the in-depth review is Council does not want to trust their recommendation. He stressed that this decision is not about the Council Members personal preference or wants and desires. This business owner meets or exceeds the standards set by the City of Laurel. Zoning Commission has recommended approval with the two conditions. Council has three options: approve, approve with conditions, or deny with cause.

Linda Frickel, 1737 Groshelle Boulevard, purchased the Owl Café in 1996. She owned the Owl Café for approximately 18 ½ years. Sonny O'Day's housed their license at the Owl Café for approximately 15 of the years Linda owned the Owl. This was agreement was an addition to her business. She stated she felt like this would be a great addition to the Vue and Brew.

There was no council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R18-81: A resolution of the City Council approving properties to be included in the sidewalk replacement program.**

Motion by Council Member Eaton to approve Resolution No. R18-81, seconded by Council Member McGee. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

DRAFT

COUNCIL DISCUSSION:

It was questioned if Mayor Nelson had received clarification on if Council Members can serve on the Police Commission. Mayor Nelson stated this would be on next weeks Workshop.

A piece of the water tank that had come down was shown to Council.

It was questioned if an update on Pintler/Centron and the process of transitioning to these companies was available.

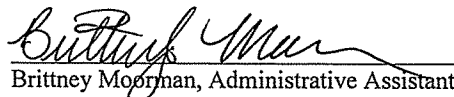
MAYOR UPDATES: None.

UNSCHEDULED MATTERS: None.

ADJOURNMENT:

Motion by Council Member McGee to adjourn the council meeting, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

There being no further business to come before the council at this time, the meeting was adjourned at 7:09 p.m.


Brittney Moorman, Administrative Assistant

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 4th day of December 2018.

Thomas C. Nelson, Mayor

Attest:

Bethany Langve, Clerk/Treasurer

Backup material for agenda item:

Receiving the Committee/Board Minutes into the Record:

Budget/Finance Committee Minutes of November 20, 2018.

Public Works Committee Minutes of November 19, 2018.

**MINUTES
CITY OF LAUREL
BUDGET/FINANCE COMMITTEE
TUESDAY, NOVEMBER 20, 2018**

Public Input: *Citizens may address the committee regarding any item of business that is not on the agenda. The duration for an individual speaking under Public Input is limited to three minutes. While all comments are welcome, the committee will not take action on any item not on the agenda.*

General Items:

Review and approve the minutes of the November 6, 2018 meeting: Richard Klose made a motion to approve the Budget and Finance Committee minutes from November 6, 2018, Scot Stokes seconded the motion, all in favor, motion passed.

Review and approve purchase requisitions: Two purchase requisitions were presented to the committee. The first one was from the Street Department for a new dump bed truck. There were no questions or comments regarding the purchase requisition. Richard Klose made a motion to approve the purchase requisition for the Street Department's new dump bed truck, Bruce McGee seconded the motion, all in favor, motion passed. The second purchase requisition was from the Solid Waste Department for a new truck with a tommy lift. There were no questions or comments regarding the purchase requisition. Richard Klose made a motion to approve the purchase requisition for the Solid Waste's new tommy lift truck, Bruce McGee seconded the motion, all in favor, motion passed.

Review and approve October 2018 journal vouchers: Bethany did not have the signed October 2018 journal vouchers present and will bring them to the December 4th meeting.

Review and approve October 2018 utility billing adjustments: The Committee reviewed the October 2018 utility billing adjustments. Scot Stokes made a motion to approve the October 2018 utility billing adjustments, Bruce McGee seconded the motion, all in favor, motion passed.

Review and approve October 2018 financial statements: Bethany briefly went through the October 2018 financial statements. There were no questions or comments regarding the financial statements. Bruce McGee made a motion to approve the October 2018 financial statements, Scot Stokes seconded the motion, all in favor, motion passed.

Review and approve claims entered through 11/16/2018: Richard Klose had reviewed the claims report and check register for accuracy prior to the meeting. There were no questions or comments regarding the claims. Richard Klose made a motion to approve the claims entered through 11/16/2018, Scot Stokes seconded the motion, all in favor, motion passed.

Review Comp/Overtime hours for PPE 11/04/2018: The Committee reviewed the comp/overtime hours for pay period ending 11/04/2018 and had no questions or comments.

Review and approve payroll register for PPE 11/04/2018 totaling \$209,224.15: The Committee reviewed the payroll register for pay period ending 11/04/2018, totaling \$209,224.15 and had no questions or comments. Richard Klose made a motion to approve the payroll register for pay period ending 11/04/2018, totaling \$209,224.15, Bruce McGee seconded the motion, all in favor, motion passed.

New Business

Old Business

Update by the CAO on the City Court accounts receivables. The CAO was not present at the meeting. The Mayor reported that the CAO and Judge Kerr have not met again regarding this subject and there was nothing new to report.

Other Items

The Mayor reported that he met with Diane and Sue Taylor regarding a possible TED or TIFD near the new interchange. The possibility of applying for a TIGER grant, to assist with street projects in that area, was discussed. Extending City services was also discussed.

Announcements

Next scheduled meeting will be held December 04,2018 at 5:30pm

Respectfully Submitted,



Bethany Langve
Clerk/Treasurer

Minutes
Public Works Committee
November 19, 2018 6:00 P.M.
Council Conference Room

Those present:

Kurt Markegard, Staff Advisor
Bill Mountsier, Vice Chair
Emelie Eaton, Chair
Karl Dan Koch
Marvin Carter
Richard Herr
Heidi Sparks

1. The meeting started at 5:58. There was no public in attendance.
2. General items
 - a. Review and approve minutes of October 15, 2018 meeting. The minutes were reviewed. Karl Dan Koch moved the minutes be approved as written. Heidi Sparks seconded. The motion was approved. Not wanting to request a change in the minutes, Kurt Markegard wanted clarification from Karl Dan Koch regarding what exactly he had meant regarding his end of the meeting request under "Other Items" and particularly the directive of "comes out on Pennsylvania Avenue". Karl Dan Koch clarified that he was speaking of the new part of the ditch by the body shop and was concerned about compaction before paving.

3. New Business

a. Emergency Call-outs

Kurt had supplied all attendees with a list of all Emergency Call-outs since July 1, 2018. The July items had been reviewed at the July Public Works meeting. The August items had been reviewed at the August Public Works meeting. The September items had been reviewed at the September 17th meeting. The October items had been reviewed at the October 15th meeting. On November 16th City crews were requested to turn on water at 2509 Atchison Drive. This was in response to a mistaken address on shut off day. On October 28th the Village Lift Station backup floats were activated because they needed cleaning. October 28th is Kurt Markegard's birthday and he responded to this call after his birthday dinner. On November 7th crews were requested to do sanding at

intersections because of an ice and snow storm. On November 11th there was a water leak at the Townhomes at 8th Avenue and East 9th Street. Because the leak occurred between the curb boxes and the building it was not the City's responsibility to make repairs. Because all 12 curb boxes are located side by side it was impossible to determine which townhome the leak was specifically coming from so water had to be turned off to all twelve townhomes. The building owner was then notified and instructed to make repairs before the water could be turned on again. On November 12th crews were requested to clean glass off South East 4th Street. The back window of a vehicle had been broken and shattered glass was on the road. On November 16th crews were again asked to sand at intersections after an ice and snow storm. Bill Mountsier commented that he felt more ice and snow should be applied to the corner of First Avenue and First Street. He stated it is a high traffic area with a four way stop which compounds the ice build-up.

b. Intake Hot Water Line

It was noted that this is the first item in the November 19, 2019 Project Progress Update supplied by Great West but Kurt wanted to cover it separately. He reviewed the issue of the water pump cavitating; the pump subsequently being lowered; the line having to be flushed by outside crews; and City Crews discovering there was no pressure in the line; die being injected into the line and never coming out at the intake or in any nearby wells. Kurt showed a picture of where the line comes out right beside the building at the intake 3 miles west of town. It showed a 2' separation between the pipe and connection. Kurt stated that there is an anticipated 1" expansion per 32 degrees the water in the pipe is heated. He thought initially, that issue, in addition to the trench settling was the reason for the leak. The picture shows this was an installation issue and the contractor followed all recommendations. It now has become an issue between Great West and the pipe manufacturer. The pipe vendor told Great West there was no need for thrust mounting to be installed. Karl Dan Koch inquired about expansion joints. The pipeline is actually a pipe within a pipe which also stops friction between the soil and pipe. Kurt explained that a "C" Clamp will be installed over the pipe once it is reconnected. Karl Dan Koch inquired as to whether they would be pouring any cement. The "C" Clamp is made of concrete, so yes, there will be concrete poured. Bill Mountsier inquired how deep the pipe is. The pipe is 5'-6' deep to protect it below the frost line. He then inquired what's to stop this from happening again. Kurt responded that this is the only place this has occurred; the line has been vacuumed to make sure no rocks are in the pipe and work is expected to be completed by November 20th.

c. Fall Alley Cleanup Report

Kurt stated that he felt the Fall Cleanup was a success with four compacted 40 yard dumpsters being hauled away after the effort. He stated that there were a few complaints that city crews had missed a residence and more about the crews running late. Richard Herr inquired how abandoned vehicles were towed away and how to encourage a resident near him to give up some of his vehicles. He stated there are three vehicles with weeds growing beside them. Marv Carter stated the area near the Congregational Church is also bad.

4. Old Business

a. KLJ and Great West Engineering Reports

Kurt had a copy of the November 19, 2018 Project Progress Update from Great West ready for all members.

Task Order No. 25. The Rock Weir has been removed.

Task Order No. 26.

1. The leak in the line had been discussed under new business.
2. CHS and Kurt have come to an understanding regarding the wetland restoration issue. CHS no longer has concerns regarding this matter and the farmer continues to plow the land.

Task Order No. 29

Kurt showed a film of the old water storage tank being pulled over and explained the issue of the bottom being bolted to an old bottom which was bolted to cement. He then showed photos of colored water tanks and inquired if the committee felt the City should put up a colored tank and possibly have the words "*Welcome to Laurel*" printed on the south side of it. The committee voted six to one for the Cobalt Blue tank. Emelie held out for the Forest Green tank. Bill Mountsier made a motion that Kurt inquire about how to get lettering on the side of the tank and how much it would cost. Heidi seconded. The committee unanimously agreed that Kurt should inquire about this. Kurt then showed photos of the pock marked interior sides of the tank. He stated that it was a relief to discover this problem after the tank was removed. These pock marks indicate the corrosion inside the 60 year old tank.

Task Order No. 38

The committee was shown photos of ongoing construction of the new sedimentation basins and the valve for raw water or settled water was pointed out. Richard Herr questioned whether CHS Refinery receives raw or treated water. It was stated that presently the refinery receives raw water until the late spring/early summer when the water flow increases and the water runs dirty. Then the refinery has to receive treated water, which they have to "un-treat" because it has chlorine in it which interferes with the refinery process. When the new sedimentation basins are

completed the refinery will have a new option of receiving “settled” water. Settled water has no chlorination but is not filtered. There will be three pipes to supply raw water and three pipes to the sedimentation basins. It was pointed out that the new basins will give a much greater supply of water and will easily provide water when the City of Laurel expands. Presently the city is filtering water in a deficit supply system.

Task Order No. 39. Water and Sewer Rate Study

The comment was made that the wording on this task order still implies that Great West feels the City should raise rates. Kurt explained that two years ago the City did not have the reserves it has now and there was concern regarding funding projects but the City has worked past those issues and funding is available for all current and past projects. Heidi Sparks inquired as to whether the City has paid for this study. It was stated that Great West has been paid for all work they have done to date and, as the summary indicates, there is no work being done on this issue. Kurt stated that he felt it would take a Resolution requesting the Task Order be closed for this not to appear on the monthly updates. He explained that the former CAO had wanted Great West to push for a rate increase because of the need for reserves. The committee stated they felt the community would not benefit from a rate increase and that the Council should not support a rate increase. Kurt stated that he is looking 20 years ahead to projects the City will need to undertake. Heidi Sparks stated that on KLJ’s reports they indicate they are doing a Capital Improvement Plan for the City, which she is very much in favor of. However, she feels that KLJ should use the information Great West has gathered and do a rate study along with a Capital Improvement Plan.

KLJ’s November 15, 2018 City of Laurel Project Status Update was not reviewed but, through discussion, some items will be summarized here. The bids had been opened on the Screw Press/Digester Rehabilitation project. Those bids came in at \$1.5 million and \$1.3-\$1.4 was the budgeted estimate.

The H2S Remediation issue. Nothing discussed
East 6th Street improvements.

The scope of this project changed with the City requesting off-street parking within Thompson Park; and installing a new water main within East 6th Street to provide looping for side street connections. It is hoped this project will go out for bid in February 2019 with construction to end in August 2019.

Pavement Maintenance. Nothing discussed

LURA Infrastructure Improvements

Kurt explained that the mayor has proposed LURA fund improvements to Washington Avenue; Idaho Avenue and Ohio Avenue between East Main Street and East First Street. Kurt repeated that Council members need to remember that LURA is only an advisory committee and that the Council has the final say on what projects will be funded and what will not be funded and the direction the committee should take. KLJ expects construction for these street improvements will occur during the 2019 construction season.

Pavement Management Plan

Data collection was completed November 1.

On-Call Professional Services

Public Works Director Markegard requested KLJ assist with estimating costs to extend City infrastructure to the West Laurel Interchange. During discussion of the Rate Increase Study, Richard Herr had stated that, if the City were to grow, the need for a rate increase may be offset by the new customers. Kurt had commented that presently developers are expected to pay for the cost of all new infrastructure and can be reimbursed if the cost exceeds a certain level.

Laurel Planning Services

Riverside Park Latrine project is on-going.

Other: Capital Improvement Plan. Kurt stated that he is going to be applying for CDGE grants which are due in April. He stated Forrest Sanderson will be providing a memo summarizing what needs to be done. Per the discussion from Great West's report, Heidi Sparks made a motion that Kurt look into cancelling Great West's Task Order on the Rate Study increase and inquire of KLJ whether they can use Great West's information in conjunction with the Capital Improvement Plan. Bill Mountsier seconded the motion.

5. Other Items

Heidi Sparks stated that in the 300 block of Yellowstone Avenue there is a hole in the street where someone had obviously done work. Kurt stated he would complete a work order to fill the hole.

Richard Herr commented that it was nice to see the manholes being raised on 5th, 6th and 7th. It was explained to him that this came through Council.

6. Announcements

The next meeting will be December 17, 2018 at 6:00 p.m.

The November Public Works meeting was adjourned at 7:11 p.m.

Respectfully submitted,

Emelie Eaton

Public Works Chair

AGENDA
CITY OF LAUREL
Public Works Committee
011/19/2018 6:00 PM
City Council Conference Room

1. Public Input

Citizens may address the committee regarding any item of city business not on the agenda. The duration for an individual speaking under Public Comment is limited to three minutes. While all comments are welcome, the committee will not take action on any item not on the agenda.

a.

2. General Items

a. Review and approve minutes from October 15, 2018

3. New Business

- a. Emergency Call-outs
- b. Intake Hot water line
- c. Fall Alley Cleanup report

4. Old Business

- a. KLJ and Great West Engineering Reports-Sed Basin, Screw Press
- b.

5. Other Items

a.

6. Announcements

a. Next Meeting will be on December 17th, 2018

The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, or write to the City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.

Minutes
Public Works Committee
October 15, 2018 6:00 P.M.
Council Conference Room

Those present:

Kurt Markegard, Staff Advisor
Bill Mountsier, Vice Chair
Emelie Eaton, Chair
Karl Dan Koch
Richard Herr
Heidi Sparks

1. The meeting started at 6:02. There was no public in attendance.
2. General items
 - a. Review and approve minutes of August 20, 2018 meeting. The minutes were reviewed. Heidi Sparks moved the minutes be approved as written. Bill Mountsier seconded. The motion was approved. Roger Geise entered the meeting at 6:10 as a prospective committee member.

3. New Business
Emergency Call-outs

Kurt had supplied all attendees with a list of all Emergency Call-outs since July 1, 2018. The July items had been reviewed at the July Public Works meeting. The August items had been reviewed at the August Public Works meeting. The September items had been reviewed at the September 17th meeting. On both September 24th and October 10th the Elm Lift Station reported a failure. Both of these reported failures were because of cell service updates. The Public Works Department has now routed the calls so they do not go through police dispatch but are handled by public works personnel. They have been instructed to silence the alarm. If it sounds again within half an hour there is a real problem not a cell service update.

Sed Basin Update

While crews were pouring the concrete it was noticed that because of the 2'4" thickness of the concrete it would be advisable to broom finish the concrete as opposed to power laminating the concrete. This would prevent the smooth finish of the concrete from flaking away. K. Dan Koch inquired regarding whether there was going to be rebar installed in the new cement. He was assured that there is quite a bit of rebar being used.

4. Old Business

a. KLJ and Great West Engineering Reports

Kurt had a copy of the October 15, 2018 Project Progress Update from Great West ready for all members. The City continues to work with Wilson Brothers to remove the rock weir.

Two warranty issues regarding the new water intake were discussed at length. The first issue was a suspected leak. The intake was back flushed and it is now operational. However, the hot water flush line does not appear to have enough pressure to spray the intake screen to prevent frazzle ice from entering the intake. Wilson Brothers continues to work to attempt to identify the problem. They now suspect a fitting broke.

The second warranty issue is the reclamation area. Reseeding needs to be done but CHS is discussing areas of concern with the City of Laurel and no work has been done as of the October 15th Project Update.

KLJ's October 15, 2018 City of Laurel Project Status Update was reviewed next. The bids had been opened on the Screw Press/Digester Rehabilitation project. Those bids came in at \$1.5 million and \$1.3-\$1.4 was the budgeted estimate. It is expected these bids will be discussed at the next Council workshop.

The H₂S Remediation issue was discussed next. Kurt pointed out that it had been an ongoing problem since 1982 when the Elm Street Lift Station was first installed. An area of chemical oxygen deprivation had been noted and that issue was being followed up on. It was also noted that the portion of the line coming from BNSF had high H₂S readings and the City was going to have to discuss with BNSF how they could remediate that. Kurt was anxious to find a solution to end the complaints about the odor at the lift station. KLJ will begin designs to improve the function of the lift station as well as continue to do sampling to identify sources for the high H₂S.

East 6th Street improvements

Because of all the drainage problems discovered this spring there is a need for a water flow study before construction begins. KLJ still hopes to go to bid in March, 2019 with construction to proceed with no stops for the 4th of July and continue until approximately August, 2019.

Pavement Maintenance

KLJ has begun saw cutting West 4th Street, West 2nd Street and West Railroad Street.

Pavement Management Plan

Crews are expected to begin field inventory November 1.

Other

Anticipated Fiscal Year 2019 Projects

Railroad Street

Public Works Director Markegard had provided all with a copy of the County's Resolution 18-97 which placed improvements to West Railroad Street from South 1st Avenue to South 8th Avenue as a high priority and supported use of urban funds for improvements to that street.

b. Street Maintenance – as was discussed under Old Business (a) CWC is out filling potholes, crack sealing and chip sealing and KLJ has begun saw cutting on West 4th Street, West 2nd Street and West Railroad Street.

c. West Railroad Street Urban Funds Update

County Resolution R18-97 was discussed under Old Business (a).

Committee members now have seen both letters which have been sent to Carol Strizich with Montana Department of Transportation. Discussion ensued regarding drainage coming from the north and west but that is a problem for the State Engineers to work through.

5. Other Items

K. Dan Koch brought up the issue of filling the ditch that runs along Montana Avenue and comes out on Pennsylvania Avenue.

6. Announcements

Richard Herr inquired as to when improvements to Highway 212 would be completed. It was explained to him that, as a Laurel City Council member, KLJ had been sending regular updates on this project, as well as improvements to the West Laurel interchange project and the Zimmerman Trail project.

Richard Herr then inquired when the vault toilets would be installed in Riverside Park. It was explained to him that Forrest Sanderson, Laurel's Flood Plain manager, would be determining at what elevation those toilets needed to be installed; that Missoula Concrete had the state contract to do the work and that a March, 2019 delivery was anticipated.

The October Public Works meeting was adjourned at 7:07 p.m.

The next meeting will be November 19, 2018 at 6:00 p.m.

Respectfully submitted,

Emelie Eaton

Public Works Chair

AGENDA
CITY OF LAUREL
Public Works Committee
010/15/2018 6:00 PM
Public Works Conference Room

1. Public Input

Citizens may address the committee regarding any item of city business not on the agenda. The duration for an individual speaking under Public Comment is limited to three minutes. While all comments are welcome, the committee will not take action on any item not on the agenda.

a.

2. General Items

a. Review and approve minutes from September 17, 2018

3. New Business

a. Emergency Call-outs

b. Sed Basin Update

4. Old Business

a. KLJ and Great West Engineering Reports

b. Street Maintenance Chip Seal Spring 2019

c. West Railroad Street Urban Funds

5. Other Items

a.

6. Announcements

a.

The City makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in this meeting. Persons needing accommodation must notify the City Clerk's Office to make needed arrangements. To make your request known, please call 406-628-7431, or write to the City Clerk, PO Box 10, Laurel, MT 59044, or present your request at City Hall, 115 West First Street, Laurel, Montana.

NOTE: This meeting is open to the public. This meeting is for information and discussion of listed agenda items.

**Minutes
Public Works Committee
September 17, 2018 6:00 P.M.
Council Conference Room**

Those present:

**Kurt Markegard, Staff Advisor
Carl Jackson, KLJ Engineering
Emelie Eaton, Chair
Bill Mountsier, Vice Chair
Heidi Sparks
Karl Dan Koch
Marvin Carter**

1. There was no public in attendance.

2. General items

- a. Review and approve minutes of August 20, 2018 meeting. The minutes were reviewed. Heidi Sparks moved the minutes be approved as written. Karl Dan Koch seconded. The motion was approved.**

3. New Business

Emergency Call-outs

Kurt had supplied all attendees with a list of all Emergency Call-outs since July 1, 2018. The July items had been reviewed at the July Public Works meeting. The August items had been reviewed at the August Public Works meeting. On September 3rd a water supply problem was reported in the 900 block of 4th Avenue. This was identified as a homeowner problem. On September 6th water was turned back on in the 1000 block of Montana Avenue. On September 8th crews responded to a report of a leak on South 8th Avenue. On August 15th the water booster pump in Murry Heights was reported as making an unusual noise. Crews discovered one of the pump's three bearings had gone out.

Possible LURA Project Washington, Idaho, Ohio Avenues

The city's engineering firm, KLJ, had been asked to look into making curb to curb repairs on these three avenues from Main Street to First Street East. This activity corresponded to a constituent complain made by Jason Balzer of 13 Washington Avenue and received by Emelie Eaton who had taken it to a Council Workshop for discussion. On the day this complaint

came before the Council City crews were able to clear away gravel that had been put from the sidewalk to the middle of Washington Avenue by a business owner on the corner of Washington Avenue and Main Street. This removed the drainage issue which was the root of the constituent's complaint. The Mayor had further recommended to LURA that they consider using fiscal year 2018-2019 funds to make repairs to curbs, infrastructure and streets. KLJ had only done preliminary research and could only guess that at this point it appeared those repairs would cost approximately \$4.5 million for infrastructure. There was discussion regarding making this a bondable "LURA project" versus making it a project that was completed in phases versus creating SID. There was discussion regarding the ability of some business owners to move ahead immediately to pay for improvements to curb and gutter alongside their businesses. Carl explained that an SID applies to improvements made "in front of" the building. As Carl understood the SID process, if some businesses were able to pay for improvements before an SID were established those businesses could effectively "bow out" of the SID process because it would not affect, nor need it include, them. The committee will receive updates as this project moves forward.

Sewer Camera and Utility Locator Purchases

Kurt provided two estimates for locators. It appeared there was a difference in the bid amount of approximately \$1,900 for identical locators. The committee agreed with Kurt that the lowest bid should be accepted. Kurt then provided two bids for a sewer camera. He then played the demonstration videos supplied by both bidding companies. The group agreed that the more expensive bid of \$71,900 was better because the videos were clearer and the information which tagged problem areas along the video was much more informative. This bid will be submitted to the Budget and Finance Committee for review before being forwarded to the entire Council for a vote.

Task Order for Pavement Maintenance System

Carl explained that one of the continuing Task Orders on their Engineering Reports was close to being satisfied. KLJ had been tasked with updating Laurel's Pavement Maintenance System. Carl Jackson reviewed the documents supplied to the committee. He stated that Laurel is currently using the "PAVER" system which ranks streets on a scale from 1-100. The new system, "PASER" is accepted by Montana Department of Transportation and the feds. He stated this is a system that ranks roadways on a scale of 1-10 and is much easier to understand. He stated that the state requires the ranking systems be updated every 2-3 years and he anticipates KLJ will have a resolution for the Council to vote on around October 2 and they can have manpower out inputting

information into the new system immediately after approval by the Council.

4. Old Business

a. KLJ and Great West Engineering Reports

Kurt had a copy of the September 13, 2018 Project Progress Update from Great West ready for all members. It was not reviewed. Kurt said that Great West's focus currently is on demolition of the old sedimentation basins. Kurt had photos of the demolition process and stated that there was no backfill and the rebar that had been used was weak so the demolition is going much faster than anticipated. Kurt showed video of the Storage Tank and the dents which have progressed into holes, in it. Marv Carter stated that the damage came in the 1970's when there was a lot of snow that had stayed on the water tank. Divers had gone into the tank to try to pound the tank and make the snow slide off. The tank was then pressurized and that is when the tank surface was initially weakened. Kurt stated that the requirements imposed by the Army Corp of Engineers had changed regarding removal of the rock weir. He stated he felt certain the weir could still be removed properly within the next two weeks.

KLJ did not have a written report. Carl Jackson stated that everything that had advanced on their Task Order List had been discussed. Heidi Sparks stated that at one time KLJ had stated that they would like the Public Works committee's input on decisions regarding winnowing the Capital Improvement Projects list. Heidi said that she hoped that an efficient way to winnow and record an annual projects list would make the City of Laurel look much more efficient. She stated that at the conference she attended in Billings this spring there was a community that had every annual CIP project list recorded for the last twenty years. The comment was made that it would be nice to have a clear list that could be shared with the public annually.

b. Street Maintenance – as was discussed under New Business (b) CWG is out filling potholes, crack sealing and chip sealing.

c. West Railroad Street Urban Funds Update

Resolution R16-66 is on the agenda for Tuesday night's City Council meeting. That Resolution states that the City of Laurel requests improvement of West Railroad Street be placed on the Montana Department of Transportation's list of streets to improve with Urban Funds. A separate document is supposed to be issued by Yellowstone County giving their approval.

5. Other Items

Sewer Manholes. Kurt had supplied all committee members with a copy of CIP Construction Technologies, Inc.'s Proposal from September 13, 2018. He stated that staff had recommended some \$49,000 in immediate improvements out of the \$100,000 line item budget that had been created this year. Kurt had reduced that list to the five items on the Proposal which totaled \$14,856. The list included leveling the manholes at 5th Street and 5th Avenue; West 1st Street and 4th Avenue; and West 5th Street and 2nd Avenue as well as work on the manhole at 5th Street West and 6th Avenue. He had also included work on the line and manhole at West Maryland and 13th Avenue.

- 6. Announcements – Heidi Sparks – Councilmember Sparks** had recently participated in “Beer with a Councilperson” which was the best attended event thus far. She stated there were two items she would like to bring to the Public Works Committee. The first was a tilted sidewalk in front of 105 and 111 Yellowstone Avenue as well as a tree that needed to be trimmed at 105 Yellowstone because people were not slowing down when they approached the intersection with West Railroad Street. The second item was the huge humps that the railroad had created in West Railroad Street when they improved the crossings. The committee agreed that the actual crossings were very smooth but the approaches were very steep. There was also concern that the railroad had never put arms at the crossing at West Railroad and, roughly, Woodland Avenue. Lastly, it was noted that the railroad had done little to keep their property, which extends from West Railroad Street to the backs of the properties facing Main Street stretching from First Avenue South to Fifth Avenue South; maintained this summer. The grasses and weeds had gotten very tall and unsightly.

The August Public Works meeting was adjourned at 7:32 p.m.
The next meeting will be October 15, 2018 at 6:00 p.m.

Respectfully submitted,
Emelie Eaton
Public Works Chair

October 15, 2018

Public Works Emergency Call-outs since July 1, 2018

- 7-1 Elm Lift Station Alarm
- 7-11 110 Yellowstone Sewer Complaint
- 8-5 H2O Break North of Nutting Park
- 8-9 Replace manhole lid East Main Street
- 8-16 Water turn on 201 3rd Avenue

August Meeting

- 8-18 Digester Sump Pump Fail
- 8-23 Water leak at 110 ½ 7th Avenue

September Meeting

- 9-3 H2O problem 921 4th Avenue
- 9-6 H2O turn on 1055 Montana Ave
- 9-8 H2O leak South 8th Ave
- 9-15 Murry Heights Water Booster pump noise

October Meeting

- 9-24 Elm Lift Station Failure
- 10-10 Elm Lift Station Failure- Alarm was set off by AT&T update. We changed the alarm to go to water treatment plant.





City of Laurel Project Status Update
October 15, 2018



WWTP Screw Press (KLJ #1804-00120)

Project Manager: Travis Jones/Doug Whitney

Reason for Project: The City's WWTP does not currently have adequate sludge handling equipment, which has led to overfilling and backup of the drying beds, digesters, and various other WWTP components. Completion of this project will allow for improved operations and allow for maintenance of the digesters, which cannot be taken offline until this project is completed.

Project Scope: Design and construction of a new screw press to process WWTP sludge.

Milestones:

- Design is complete.
- DEQ received project documents for review on July 26th.
- DEQ review comments received September 23rd. *This triggered an analysis of the BNR process and its ability to handle the screw press filtrate return.*
- A DEQ-2 Deviation Request was submitted on October 8th.
- Reply submitted to DEQ on October 9th.

Current Status:

- The project is awaiting DEQ approval.
- A pre-bid conference was conducted on August 23rd.
- DEQ comments require changes and caused a bid date delay.
- Project Bidding October 15, 2018.

WWTP Digester Rehabilitation (KLJ #TBD)

Project Manager: Travis Jones

Reason for Project: The City has not taken down the digesters for routine cleaning, inspection, and repairs for several years. This is due to inadequacy in the sludge handling equipment.

Project Scope: Complete the design and construction administration for the cleaning, inspection, and repairs of the existing digesters.

Milestones: (As needed)

- Will be concurrent with WWTP Screw Press

Current Status:

- KLJ contract for this design work was included in the WWTP Screw Press amendment recently approved by the City Council. Once the interior of the digester is cleaned and can be evaluated for needed restoration, a construction change order and engineering amendment may be required.



Sanitary Sewer H₂S Remediation (KLJ #1804-00122)

Project Manager: Travis Jones/Doug Whitney

Reason for Project: Buildup of H₂S within the WW collection system has led to deterioration of manholes and other system components.

Project Scope: Complete the design and construction administration for the proposed air injection/diffuser system to address H₂S build-up within the system.

Milestones:

- Sewer sampling plan submitted to the City.
- Sewer samples collected on July 19th.
- Results of sewer sampling received on July 30th.
- Analyses of sampling and recommendations for a second round of sewer sampling submitted to the City on August 3rd.
- Second round of samples collected on August 14th.
- Second round of sampling results received on August 27th.
- Results of second round of sewer sampling received on Sept 25th.

Current Status:

- The City is planning on collecting additional samples.
- City has requested the KLJ proceeds with improvement design independent of future sampling.

WWTP Archimedes Screw Rehabilitation (KLJ #TBD)

Project Manager: Travis Jones

Reason for Project: The grouting around the existing screw pumps is wearing down, which makes the pumps less efficient in the transfer of wastewater.

Project Scope: Complete the design and construction administration for the rehabilitation of the existing screw pumps.

Milestones: (As needed)

Current Status: (KLJ Contract Pending)

- No significant updates since previous status report.



City of Laurel Project Status Update
October 15, 2018



East 6th Street Improvements (KLJ #1804-00121)

Project Manager: Carl Jackson

Reason for Project: Street reconstruction between 1st Ave. and Wyoming Ave. to address failed pavement, saturated subgrade conditions and surface runoff improvements.

Project Scope:

- Grading, paving, parking, and drainage enhancements (minor water main in Wyoming)
- Special Improvement District (sidewalks, driveways), pending approval
- Safety improvements
- Water main and valve replacements in Wyoming intersection.

Milestones:

- Survey – completed April 9-13
- Preliminary design – Fall 2018
- SID creation – Fall/Winter 2018/2019 (tentative)
- Final design – Fall/Winter 2018/2019
- Bidding – February 2019 (tentative)
- Construction – completed before August 2019 start of school year

Current Status: KLJ was recently asked to re-evaluate the scope, by considering the feasibility and cost of an off-street parking lot within Thompson Park along with installing a new water main within East 6th St. to provide looping for side street dead-end connections. The recommendation and path forward will be summarized for the City, following completion of the water system flow testing.

2018 Pavement Maintenance (KLJ #1804-00123)

Project Manager: Carl Jackson

Reason for Project: This continues the City's annual pavement maintenance. As a result of significant freeze-thaw during the 2017-18 winter, several City streets have significant pavement damage.

Project Scope: The 2018 scope is hot mix asphalt for repaving West 4th Street (6th Ave. - 8th Ave.) and pothole repairs on West Railroad Street.

Milestones: Construction substantial completion is anticipated the week of October 15th.

Current Status: Construction is on-schedule (30-day contract).



City of Laurel Project Status Update
October 15, 2018



Pavement Management Plan Update (KLJ #1804-01970)

Project Manager: Bryan Vanderloos

Reason for Project: Develop an updated pavement management plan (PMP) including MDT and City streets within the Laurel corporate limits. This will be used for prioritizing the City's annual pavement maintenance projects, along with satisfying MDT's requirement that the City update its PMP on a regular basis to be eligible for certain future State funding.

Project Scope: Conduct a field inventory by assessing paved streets utilizing the Pavement Surface Evaluation and Rating (PASER) methodology. A rating of 1-10 will be given to each road segment based on distresses such as cracks, ruts, potholes, etc. Known roads that have failed pavement sections and are in disrepair will not be evaluated, and simply given a poor rating. Information will be compiled in a report that includes tables and associated mapping of the City streets.

Milestones:

- Field Inventory (pavement condition assessment) – November 1, 2018
- PASER analysis and draft PMP (report) – January 15, 2019
- Finalize PMP (report) based on City review and feedback – February 1, 2019

Current Status: Council Resolution No. R18-71 was approved at the October 2, 2018 Meeting. Data collection began the week of October 8th and is ongoing.

On-Call Professional Services (KLJ #1804-00347)

Project Manager: Carl Jackson

Reason for Project: This contract would enable KLJ to provide consulting services that are not part of an approved task order. Generally, this would apply to situations where KLJ's fees are small enough that a separate task order is not necessary, or for time-sensitive matters.

Project Scope: Services may include engineering, surveying, planning or government relations.

Milestones: (as needed)

Current Status: No services were provided last month.



City of Laurel Project Status Update
October 15, 2018



Laurel Planning Services (KLJ #1804-00554)

Project Manager: Forrest Sanderson

Reason for Project: KLJ has been retained to provide City of Laurel planning services during the interim period, while the search for the new City Planner is ongoing.

Project Scope: Planning services may include: subdivision, zoning, development, floodplain hazard management, miscellaneous reviews and other related work. KLJ will prepare staff reports, recommendations, and attend meetings upon request.

Milestones: (as needed)

Current Status:

Floodplain Management – During this cycle we answered questions related to floodplain development and requirements for development and redevelopment of flood prone properties.

Note: KLJ's efforts associated with the *Riverside Park Latrine* (oil spill damage project) survey, ADA and floodplain permitting will be completed under this project and task.

Subdivision Review – The primary project during this cycle continues to be Regal Park as they move to final plat, time involved engineering as well as planning services. We have also started the pre-application process with Performance Engineering for a subdivision proposed by the 2525 Trust.

Zoning – Answered several questions on Zoning compliance. Started the Special Review process for the Vue and Brew Theater.

Planning – Attended the Planning Board meeting and several meetings with the Building Official and Public Works Director on a variety of projects.



City of Laurel Project Status Update October 15, 2018



Other Notes and Information

Other potential projects have been identified during recent conversations between City staff and KLJ. Most recently, City Public Works staff and KLJ task leaders met on September 11th to confirm the path forward, which is summarized below. As these are tentative, the timing and extent of KLJ's services are TBD, unless noted otherwise.

Anticipated FY19 Projects

1. Booster station rehabilitation or replacement (task order forthcoming)
 - a. Anticipated as a spring 2019 project.
2. Capital Improvement Plan (CIP) assistance – pending further direction from the City.
3. Planning (task order amendments forthcoming)
 - a. Review of development rules and regulations (related to public works and planning)
 - b. Growth Policy update
4. Laurel Urban Renewal Authority (LURA) infrastructure improvements
 - a. October 15-19 KLJ Draft Task Order
 - b. October 22-24 Review/Edit Task Order with Kurt (Workshop Deadline)
 - c. October 30 Present Task Order at Council Workshop
 - d. November 6 Task Order for Council Resolution
5. Pavement Maintenance (crack/chip seal, other repairs TBD)
 - a. This will be annual; tentatively scheduled for bidding in spring 2019
6. Railroad Street coordination
 - a. A joint resolution between the City and County is pending.
7. Sanitary sewer manhole replacements (location TBD)
8. Water storage tank evaluation
 - a. Tim is coordinating inspections of the tanks soon, which will help determine the recommended scope of work, which may include external and internal coating.

Other Potential Future Projects

1. Examining engineer review of 3rd Party submittals to City
2. Lion's park grant application assistance
3. On-call government relations
4. Riverside Park improvements
5. West side groundwater remediation

MEMORANDUM

Date: October 15, 2018

To: Kurt Markegard, Public Works Director – City of Laurel

From: Chad E. Hanson, PE

Subject: Project Progress Update

The following sections summarize the current status and recent progress on active task orders under our "on-call" engineering contract with the City. Please let me know if you have any questions and/or would like more information.

Task Order No. 25 – Intake Emergency Plan

Quote packages to remove the temporary weir were received on October 3, 2017 and Wilson Brother Construction was awarded the base bid to remove the weir. The City has been coordinating with Wilson Brother to schedule the work. Great West will continue to assist the City in coordinating the work and/or with any permitting issues related to the work as requested.

Task Order No. 26 – New Water Intake

The new intake has been fully functional since it was back flushed. Two warranty items on the project remain, a potential leak in the hot water flush line and reseeding areas.

1. Nick Wilson from Wilson Brother coordinated with City personnel to dye the supply tank and run the hot water line on October 9th. No dyed water was observed at the intake in the river. Wilson Brother is continuing to try and locate the potential leak.
2. Wilson Brother is tentatively scheduled to reseed areas of the reclamation that did not take in October. The CHS refinery has expressed concerns with the reclamation but stated they are only willing to discuss specific areas of concern with the City. Once the City can relay the refinery's concerns to us, we can provide Wilson Brother direction on what needs

to be addressed and get a firm date for the warranty work.

We submitted the additional documentation for the wetland restoration along the transmission main route requested by Robert Cole with the Army Corps of Engineers on the City's behalf. We have reviewed the Corps' response to the additional documentation but are waiting on direction from the City before preparing a response.

Task Order No. 29 – Phase 3 Water System Improvements

COP Construction started construction on September 17, 2018, and we have been providing on-site observation as applicable, holding weekly update meetings with the City, and conducting weekly construction progress meetings with the City and COP Construction. We have also continued to respond to requests for information (RFIs) from the Contractor and to review submittals as they are received.

Task Order No. 38 – Phase 4 Water System Improvements

No work has been performed since the Progress Update Memo dated July 10, 2018, which stated:

The Phase 4 Improvements include lowering the 2003 intake, adding an additional raw water pump at the WTP, and installing VFDs on all of the large raw water pumps. TSEP and DNRC grant applications for the project were submitted in the spring of 2016 but fell below the funding line. The City needs to complete the lowering of the 2003 intake to comply with the Army Corps permit for the new intake but is undecided on a schedule for the work.

We have done no work on the project and will not until so directed by the City.

Task Order No. 39 – Water and Sewer Rate Study

No work has been performed since the Progress Update Memo dated July 10, 2018, which stated:

We gathered and updated revenue and expense data utilized for the basis of the rate study and presented it to the City in the fall of 2017. We have since suspended work on the rate study until otherwise directed by the City. A meeting to outline objectives and goal of the new Mayor, new Chief Administrative Officer, and remaining City staff for the study is recommended if the City wishes to move forward and complete the study.

RESOLUTION NO. R18-66

**A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE MAYOR TO ISSUE
A FORMAL WRITTEN REQUEST TO THE MONTANA DEPARTMENT OF
TRANSPORTATION REQUESTING USE OF URBAN FUNDS FOR THE IDENTIFIED
PRIORITY PROJECT LOCATED WITHIN THE CITY OF LAUREL AND
YELLOWSTONE COUNTY.**

BE IT RESOLVED by the City Council of the City of Laurel, Montana:

Section 1: Approval. The attached letter to the Montana Department of Transportation ("MDOT") is hereby approved and the project described within the MDOT Letter is approved as a high priority project by the City Council. The City Council further authorizes MDOT to utilize the City's Urban Funds to pay for the project described in the attached letter.

Section 2: Joint Request. Since the Project is located within the jurisdiction of both the City of Laurel and Yellowstone County, the City Council authorizes the Mayor to issue the attached letter as part of the City and County's joint request to MDOT.

Section 3: Authorization and Execution. The Mayor of the City of Laurel is hereby authorized to execute and deliver the MDOT Letter that is attached hereto constituting the City's portion of the joint request that is being made with Yellowstone County.

Introduced at a regular meeting of the City Council on September 18, 2018, by Council Member Herr.

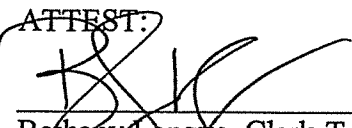
PASSED and ADOPTED by the City Council of the City of Laurel, Montana, this 18th day of September 2018.

APPROVED by the Mayor this 18th day of September 2018.

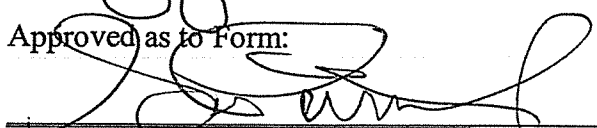
CITY OF LAUREL


Thomas C. Nelson, Mayor

ATTEST:


Bethany Langye, Clerk-Treasurer, Clerk-Treasurer

Approved as to Form:


Sam S. Painter, Civil City Attorney

CITY HALL

115 W. 1st. St.

PUB WORKS: 628-4796

PWD FAX: 628-2241

WATER OFFICE: 628-7431

WTR FAX: 628-2289

MAYOR: 628-8456

City of Laurel

P.O. Box 10
Laurel, Montana 59044



DEPARTMENT

September 18, 2018

Carol Strizich
Statewide & Urban Planning Supervisor
Montana Department of Transportation Rail, Transit & Planning Division
PO Box 201001
Helena, MT 59620

Re: City of Laurel/Yellowstone County Joint Urban Fund Priority Project

Dear Ms. Strizich:

Please be advised that West Railroad Street from South 1st Avenue to South 8th Avenue located both within the jurisdiction of the City of Laurel and Yellowstone County, has been identified as a City of Laurel/Yellowstone County urban priority project. Please accept this letter and attached City Council Resolution as the City's official notification and request. Be advised Yellowstone County is submitting their portion of the joint request via separate communication.

West Railroad Street from South 1st Avenue to South 8th Avenue

This project constitutes West Railroad Street from South 1st Avenue to South 8th Avenue and the cost estimate for the project is unknown. The State Department of Transportation will help determine the estimated total cost.

Thank you for your attention to this matter. If you need additional information, please feel free to contact me at City Hall.

Sincerely,

Thomas C. Nelson
Mayor

RESOLUTION NO. 18-97

**A RESOLUTION TO ALLOW ISSUANCE OF A WRITTEN REQUEST TO THE
MONTANA DEPARTMENT OF TRANSPORTATION TO USE URBAN FUNDS FOR
THE IDENTIFIED PRIORITY PROJECT LOCATED WITHIN THE CITY OF
LAUREL**

WHEREAS, it is in the best interests of the residents of the City of Laurel and Yellowstone County to place a high priority on maintenance of West Railroad Street from South 1st Avenue to South 8th Avenue in Laurel, Montana,

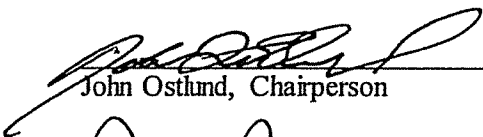
WHEREAS, portions of this stretch of road lies in the jurisdictional area of the City of Laurel,

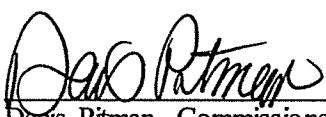
WHEREAS, the City of Laurel and Yellowstone County jointly authorize letters of support to obtain urban funds for the maintenance of this road from the State of Montana,

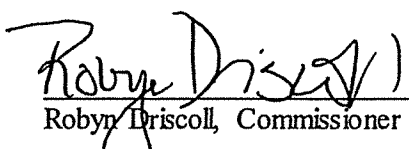
BE IT RESOLVED that Yellowstone County shall issue a letter to the Montana Department of Transportation requesting urban funds for the improvement of West Railroad Street from South 1st Avenue to South 8th Avenue in Laurel, Montana.

DATED this 9th day of October, 2018.

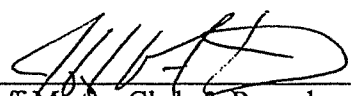
YELLOWSTONE COUNTY BOARD
OF COMMISSIONERS


John Ostlund, Chairperson


Denis Pitman, Commissioner


Robyn Driscoll, Commissioner

ATTEST:


Jeff Martin, Clerk & Recorder

Yellowstone County

COMMISSIONERS
(406) 256-2701
(406) 256-2777 (FAX)

P.O. Box 35000
Billings, MT 59107-5000
commission@co.yellowstone.mt.gov



October 9, 2018

Carol Strizich
Statewide & Urban Planning Supervisor
Montana Dept. of Transportation
Rail, Transit & Planning Division
Box 201001
Helena, MT 59620

Re: City of Laurel/Yellowstone County
Joint Urban Fund Priority Project

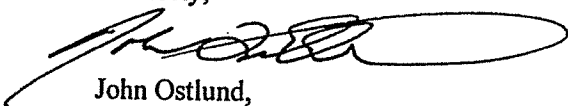
Dear Ms. Strizich:

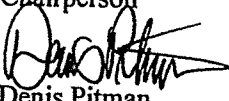
The City of Laurel and Yellowstone County have jointly found that West Railroad Street from South 1st Avenue to South 8th Avenue is an urban priority project. Please find enclosed with this letter a copy of Yellowstone County's Resolution identifying the project and requesting State funding as an urban priority project. The City of Laurel will be submitting this project funding request via separate letter and resolution.

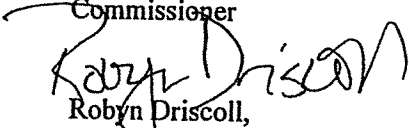
The project's cost estimate is still unknown but the Montana Department of Transportation will assist in determining a final cost estimate.

Thank you for your consideration and assistance of this project. If you need further information regarding this matter, please contact Tim Miller, Public Works Director at (406) 256-2735.

Sincerely,


John Ostlund,
Chairperson


Denis Pitman,
Commissioner


Robyn Driscoll,
Commissioner

Enc.

October 15, 2018

Public Works Emergency Call-outs since July 1, 2018

- 7-1 Elm Lift Station Alarm
- 7-11 110 Yellowstone Sewer Complaint
- 8-5 H2O Break North of Nutting Park
- 8-9 Replace manhole lid East Main Street
- 8-16 Water turn on 201 3rd Avenue

August Meeting

- 8-18 Digester Sump Pump Fail
- 8-23 Water leak at 110 ½ 7th Avenue

September Meeting

- 9-3 H2O problem 921 4th Avenue
- 9-6 H2O turn on 1055 Montana Ave
- 9-8 H2O leak South 8th Ave
- 9-15 Murry Heights Water Booster pump noise

October Meeting

- 9-24 Elm Lift Station Failure
- 10-10 Elm Lift Station Failure- Alarm was set off by AT&T update. We changed the alarm to go to water treatment plant.

November Meeting

- 10-16 Water turn on at 2509 Atchison Dr.
- 10-28 Village Lift Station backup floats activated
- 11-7 Sanding
- 11-11 Water Leak 8th Ave. and East 9th Street Townhomes

11-12 Clean Streets S.E. 4Th Street Glass shattered across road

11-16 Sand Streets for Ice and Snow Storm

GREAT PLAINS STRUCTURES

3315 LABORE RD
VADNAIS HEIGHTS, MN 55110
PHONE: (651) 484-0111



LETTER OF TRANSMITTAL

To: COP Construction, LLC

242 S. 64th St West

Billings, MT 59106

Date: 11/15/2018	Job No:
Attn: Jason Fenhaus	
RE: Laurel, MT	
Water Tank	
GPS Project#: M27006 - Transmittal01b	

WE ARE SENDING YOU ☒ Attached ☐ Under separate cover via _____ the following items:
☒ Shop drawings ☐ Plans/Prints ☐ Specifications ☐ Samples ☐ Copy of Letter
☐ Change Order ☐ Request for Information ☐ UPS Overnight

COPIES	DATE	SECTION	DESCRIPTION
1		13210	Aquastore Tank - Color Chart

THESE ARE TRANSMITTED as checked below:

☒ For approval ☐ Approved as submitted ☐ Resubmit _____ copies for approval
☒ For your use ☐ Approved as noted ☐ Submit _____ copies for distribution
☐ As requested ☐ Returned for corrections ☐ Return _____ corrected prints
☒ For review and comment
☐ FOR BIDS DUE _____ ☐ PRINTS RETURNED AFTER LOAN TO US

REMARKS: Please review the attached submittal information and return one copy to Great Plains Structures.

COPY TO: _____

Best Regards

Bill Barr

If enclosures are not as note, kindly notify us at once.

GREAT PLAINS STRUCTURES

3315 LABORE RD
VADNAIS HEIGHTS, MN 55110
PHONE: (651) 484-0111



November 15, 2018

Attn: Jason Fenhaus
COP Construction
242 S. 64th St West
Billings, MT 59106

RE: Laurel, MT – 13210 – GPS Submittal01 Tank & Accessories

Following, please find Great Plains Structures' response to submittal review comments from Ms. Crystal Bennerr, PE dated October 18, 2018:

1. Please find attached color chart, which shows the standard colors of Cobalt Blue and Forest Green. White, Sky Blue, and Tan are available at an additional cost.
2. The tank sidewall manway shall be changed to 30" diameter.

Please contact me if there are additional questions or information required. I look forward to beginning construction on this project.

Sincerely,

A handwritten signature in black ink that reads "Bill Barr".

Bill Barr
Project Manager

Colors

Aquastore glass coatings are available in standard cobalt blue or four other exterior colors. Forest green, sky blue, desert tan or white colors are available. Inquire for custom colors. Interior color is always white.

Standard Exterior Colors



Cobalt Blue



Forest Green

Other Available Colors



Tan



Sky Blue



White

*Colors represented are not exact reproduction representations of available colors.

AQUASTORE®

Glass-Fused-To-Steel Liquid Storage Tanks

CST
STORAGE



Steel Gives You Strength Glass Gives You Protection

A LEGACY OF INNOVATION

CST Industries, Inc. has a long and storied history of turning raw steel into the finest storage tanks available. Our unique glass-fused-to-steel technology was introduced more than 67 years ago. Today, CST is dedicated to the design, fabrication and installation of glass-fused-to-steel storage tanks.

After more than 100,000 installations of field proven performance, Aquastore® tanks remain the markets preferred choice for potable water storage and liquid applications. With tens of thousands of satisfied customers, Aquastore tanks are engineered to be the very best.

CST has an ongoing research/product improvement program dedicated to constantly enhancing our manufacturing processes. As the leading innovator, CST ensures **Vitrium™ TiO₂** and **Edgecoat II™** technology is utilized on every tank for maximum corrosion resistance and the longest life span available. When you purchase an Aquastore, you get the best tank, EVERY TIME.

With Aquastore, you get the highest engineered quality, best service, longest product life and greatest value in liquid storage tanks.

Aquastore owners choose CST's glass-fused-to-steel technology over all other tank designs for several reasons:

- Never EVER needs painting
- Aquastore tanks are manufactured using Vitrium coating technology enhanced with TiO₂
- Edgecoat II technology, the ONLY process in the world that provides optimum glass encapsulation on all (4) four sides of the sheet
- Greater lifetime value compared to other tank designs
- Fastest construction time – Easy assembly without cranes or special equipment
- Expandable to accommodate future requirements
- Available in diameters from 11 feet (3.3 m) to 243 feet (74 m) and capacity from 20,000 gallons (75 cu m) to over 6 million gallons (22,700 cu m)
- Specific tank designs, options and accessories to meet every customers needs
- Lowest life cycle cost of all other available tank designs



All Aquastore tanks are manufactured exclusively in the USA with only USA steel and supported by the world's most experienced Local Authorized Dealer Network



ENHANCED GLASS-FUSED-TO-STEEL TECHNOLOGY

Aquastore's glass-fused-to-steel is the premium technology in the tank market. Glass coating's physical properties are specially suited to municipal and industrial storage applications. The factory-applied silica glass coating on Aquastore tanks forms a hard, inert barrier for both the interior and exterior tank surfaces to guard against weather and corrosion. Glass-fused-to-steel is impermeable to liquids and vapors, controls undercutting caused by corrosion and offers excellent impact and abrasion resistance. The color won't fade or chalk and graffiti can easily be removed. *It never needs painting!*

A multi-step process is the heart of the glass-fused-to-steel technology system:

- Fabricated sheets are grit blasted to a uniform, near white surface
- Formulations of borosilicate, minerals, water and clays are blended into a sprayable slurry called "slip"
- After inspection, the slurry is fused to the steel sheets at temperatures above 1500° F (815° C) resulting in an ionic exchange of materials and forming a covalent bond producing the distinctive glossy Aquastore glass finish
- The molten glass reacts with the profiled steel surface to form an inert, inorganic chemical and mechanical bond

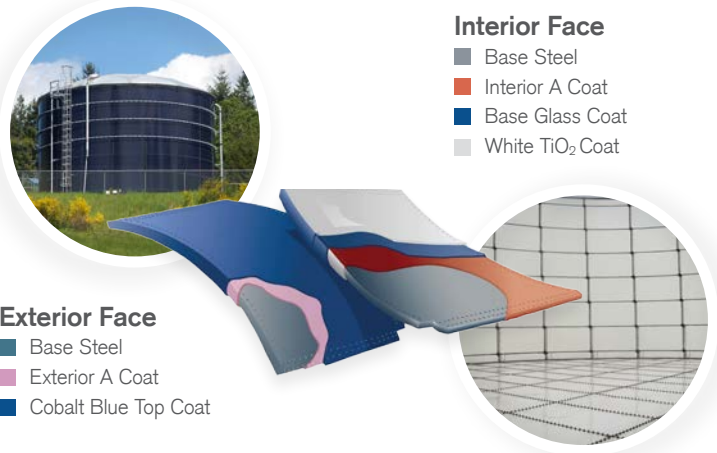


State-of-the-art porcelain enameling furnace improves quality, saves energy, increases production and speeds delivery of glass-fused-to-steel products to customers.

The interior of ALL Aquastore tanks feature Vitrium™ coating technology enhanced with titanium dioxide (TiO₂) for the toughest glass available. This coating combines the outstanding chemical and physical resistant properties of titanium-enhanced glass with a highly engineered, ultra-fine glass bubble structure essential to flexibility, quality and longevity. This process results in high performance glass-fused-to-steel technology. Vitrium features and benefits include:

- Tough TiO₂ glass formulations provides longer life
- White interior is easier to inspect than darker coatings
- Factory certified holiday-free sheets
- Designed for use in both cold and hot climates
- Designed, fabricated, shipped and supported within the USA

Guaranteeing the best quality available from our manufacturing facility to your jobsite.



Glass frit is specially formulated to produce the distinctive cobalt blue Aquastore glass coating.

ENGINEERED EDGECOAT TECHNOLOGY

Edgecoat II™ is a result of CST's commitment to an ongoing product development and improvement program. This continuous innovative *Edgecoat II technology is the ONLY process in the world that provides optimum glass encapsulation on all (4) four sides of the sheet edges*. CST took the best Edgecoat technology in the world and made it better with Edgecoat II.

Following Porcelain Enameling Institute guidelines (PEI-101), Edgecoat II sheets are mechanically rounded to specific radii that provides maximum glass adhesion to steel. The combination delivers the maximum corrosion resistance of Vitrium glass coating with the greatest protection on every sheet.

The Edgecoat II engineered approach involves stringent plant quality control procedures to ensure the Edgecoat II remains in place throughout the life of the tank.

Sheet edge corrosion on steel is aesthetically unpleasant and will significantly limit the life of your storage tank. Due to the manufacturing expense and professional engineering necessary to coat the steel edges, other glass tank providers will leave them uncoated and exposed; relying solely on the sealant fillet to prevent corrosion in this area. CST's improved process of mechanically rounding the sheet edges to exact radii ensures adherence of the glass for complete encapsulation on every sheet edge.

Aquastore glass-fused-to-steel tanks with Vitrium TiO₂ and enhanced Edgecoat II technology, offer complete encapsulation and corrosion protection. CST continues to lead innovative improvements in areas that are most susceptible to environmental attack.

The physical properties of all Aquastore tanks' glass coating are especially suited to municipal and industrial liquid storage applications. The tank designs incorporate recognized standards assuring high quality long-lasting municipal and industrial liquid storage tanks.



Engineered Edge

Benefits of Edgecoat II include:

- 5 mils of glass encapsulation on every sheet edge
- Glass is applied on all (4) four sides of the rectangular sheet edges providing the greatest protection
- Edges are engineered to ensure optimum radii for each individual gauge of steel providing the maximum and consistent glass edge
- No sharp edges on tank sheets, eliminating safety hazards
- Highest quality finish

TANK ECONOMICS & LIFETIME VALUE

All tanks are not created equal! The glass-fused-to-steel technology in an Aquastore tank delivers greater lifetime value than any other tank provider. When you add up the tank benefits over its life cycle, the advantages of an Aquastore cannot be beat. It is simply the best quality, lowest maintenance and most flexible tank available.

CONSIDERING CONCRETE OR WELDED?

The biggest economic advantage is that an Aquastore tank never needs painting! The budgeted dollars that may be used to repair a concrete tank or repaint a welded tank every 8 – 15 years can be diverted to other municipal or industrial needs. The modular design allows for rapid installation and flexibility when compared to concrete and welded construction.

Concrete tanks are expensive, involve long construction periods, need a lot of room to build and are not "maintenance free". AWWA allows for leaking, and some level of cracking is expected. Concrete tanks require a lengthy construction time compared to an Aquastore tank, especially when expensive concrete roofs are involved and must be field coated to meet NSF approval.

Welded tanks have long lead and construction times. They are limited by external environmental factors when being erected and field painted. Welded tanks have high maintenance costs and must be painted multiple times over their life cycle.

EXTERIOR COLOR OPTIONS

Aquastore glass coatings are available in standard cobalt blue and four other exterior colors. Inquire for custom colors.



Look for the white interior as a result of the TiO₂ coating formula and technology that ensure the maximum corrosion protection for your tank. The white interior provides an added benefit of full visual exposure of your tank during inspections.

Aquastore Features & Accessories

Cathodic Protection

An Aquastore tank's progressive cathodic protection system uses sacrificial anodes to protect the reinforcing bars, mitigate corrosion and provide protection to internal submerged surfaces of the tank. It is incorporated into the Aquastore tank's warranty.

Gravity Vent

Aquastore tank gravity vents are designed to allow for air exchange during filling and emptying. They are equipped with corrosion-resistant bird and insect screens.

Ladder: Cage & Platform

Aquastore tank ladders are constructed of aluminum rails and rungs with hot-dip galvanized cages and step off platforms. Ladders with locking safety cage doors are available.

Sidewall Manways

Aquastore tank manways are designed in accordance with AWWA D103 Standards. They are 24 inches (61 cm), 30 inches (76 cm) or 36 inches (91 cm) in diameter and are manufactured with hot-dip galvanized or stainless steel. Manways are provided with a davit hinge connection for easy access.

Hardware and Sealants

The hardware and sealants are specific to each application. Chlorine resistant sealants, hardware with protective covers and heavy duty plastic bolt caps are also available for added protection.

Accessories & More

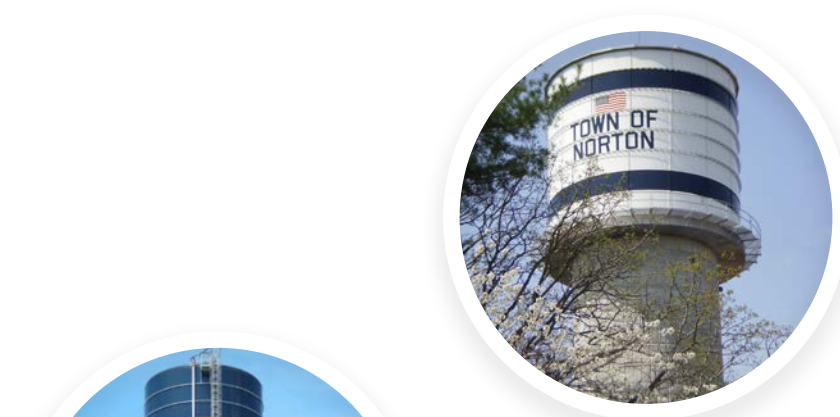
A variety of accessories are available to meet specific needs. Accessories include:

- Roof walkways, railings & staircases
- Level indicators
- Nozzles
- And many more



TANK APPLICATIONS

Aquastore storage tanks with Vitrium glass-fused-to-steel are ideal for the following designs and applications:



Standpipe



Composite Elevated



Leachate



Ground Storage Tank



Fire Protection



Municipal Wastewater
Clarifier / Sludge /
Storage / Mixing



Anaerobic Digestion

FROM THE TOP DOWN - FASTER, SAFER CONSTRUCTION

Every Aquastore tank is factory engineered to customer specifications. Since all components are manufactured in the factory and easily assembled, Aquastore tanks can be installed in many types of weather conditions that field-welded steel or concrete tanks cannot. Tanks are assembled from the top down by factory trained professional building crews using CST's Proof Load Tested and PE stamped jacking systems that safely and progressively elevate the structure without the need for expensive cranes, large staging areas or extensive scaffolding. Erection crews can stay safely on the ground. This construction method enables rapid, logical progress for timely completion.

- Small footprint
- Site work savings
- Year round construction
- Fast turnaround
- Quick erection
- Trained and certified crews

Floors

Aquastore floors can be glass-fused-to-steel or reinforced concrete. Steel floors have the same superior glass coating as the Aquastore glass-fused-to-steel sheets. When using concrete, Aquastore walls are embedded in the foundation. Authorized Aquastore Dealers can provide site preparation and foundation installation.

Sidewalls

Sidewall erection is completed using a series of specially engineered motorized jacks. Each glass-fused-to-steel panel is bolted and sealed into place. Upon completion, the motorized jacks raise the sidewall ring so subsequent rings can be erected. Erecting an Aquastore tank does not require heavy-load cranes or lifting equipment on-site. This unique installation process allows for construction in remote regions, as well as metropolitan areas.

Roofs or Domes

The flush batten OptiDome® is a next generation aluminum geodesic dome. OptiDome aluminum domes incorporate a flush batten design that effectively sheds water and reduces ponding on the panels. With a Double Web I-Beam customers get the most efficient, functional, long lasting dome solution in the industry. OptiDome is easy to install and requires less sealant than typical geodesic domes. CST's OptiDome design efficiently complies with the latest requirements that have been adopted by 2010 Aluminum Design Manual, Eurocode, and International Building Code 2012.

Every OptiDome is custom designed to meet the specific requirements of each project and can be engineered for any snow, wind or suspended load capacity, as well as span-to-rise-ratio. The all-aluminum free span OptiDome's are available for the complete range of Aquastore tanks.

Glass-fused-to-steel roofs are available up to 31' in diameter and aluminum geodesic domes are available in all sizes.

Glass-fused-to-steel roofs are manufactured with hard tooling and include radially sectioned steel panels. The roofs are assembled using the same sealant and bolting techniques as the sidewall panels.

Sealants

Aquastore tanks feature sealants specifically formulated for chemical resistance appropriate to the application. Each sealant is inspected on a batch-by-batch basis to ensure quality. The sealant is suitable for contact with potable water and is certified to meet ANSI/NSF Additives Standard 61 for indirect additives and is chlorine resistant. Sealants cure to a rubber-like consistency, have excellent adhesion to the glass coating, low shrinkage and are utilized for both interior and exterior use.



Most Experienced Dealer Network

CST delivers Aquastore tanks through a network of Authorized Aquastore Dealers. These organizations and their sales representatives are available to discuss project requirements from inception to completion. Experience in your region and application knowledge are valuable during all stages, from project development to specification to erection to the completed and tested tank.

Pricing, budget estimates, foundation layouts, project scheduling, approval drawings and foundation construction are just a few of the areas where Authorized Aquastore Dealers can help. Our customers deal with one source from start to finish, including service after installation. Dealers provide excellent customer service, are local and knowledgeable of your area and building requirements.

Authorized Aquastore Dealers offer a turn-key package to customers providing service, support and expertise from start to finish. In addition to selling and erecting an Aquastore tank, dealer sales and service specialists provide the following:

- Value engineering – total cost analysis
- Tank configuration and layout data
- Budgeting
- Product engineering specifications
- Design criteria assistance
- Tank layout drawings
- Approval drawings
- Certified drawings
- Site preparation and layout
- Tank construction scheduling
- Structural calculations
- Tank testing and commissioning
- Tank inspection
- Maintenance services
- Relocation or expansion
- Concrete work
- Pipe work (inlet, outlet, overflow, decant, etc.)
- Insulation (spray foam, battens, etc.)
- Dome installations
- Turn-key tank construction
- After sale service

Turn-key package from site preparation to completed and tested tank.



For more than 67 years, CST has offered the most comprehensive manufacturer's warranty in the industry. The field-proven performance history of Aquastore tanks is one more indication that our products are built to last.

An Aquastore tank requires minimal maintenance over its life cycle and CST's Authorized Aquastore Dealers will provide complete service packages tailored to your application needs. Most importantly, the glass-fused-to-steel technology provides protection from environmental impact and never needs painting, saving hundreds of thousands of dollars over time.

Always there when you need us, just a phone call away...

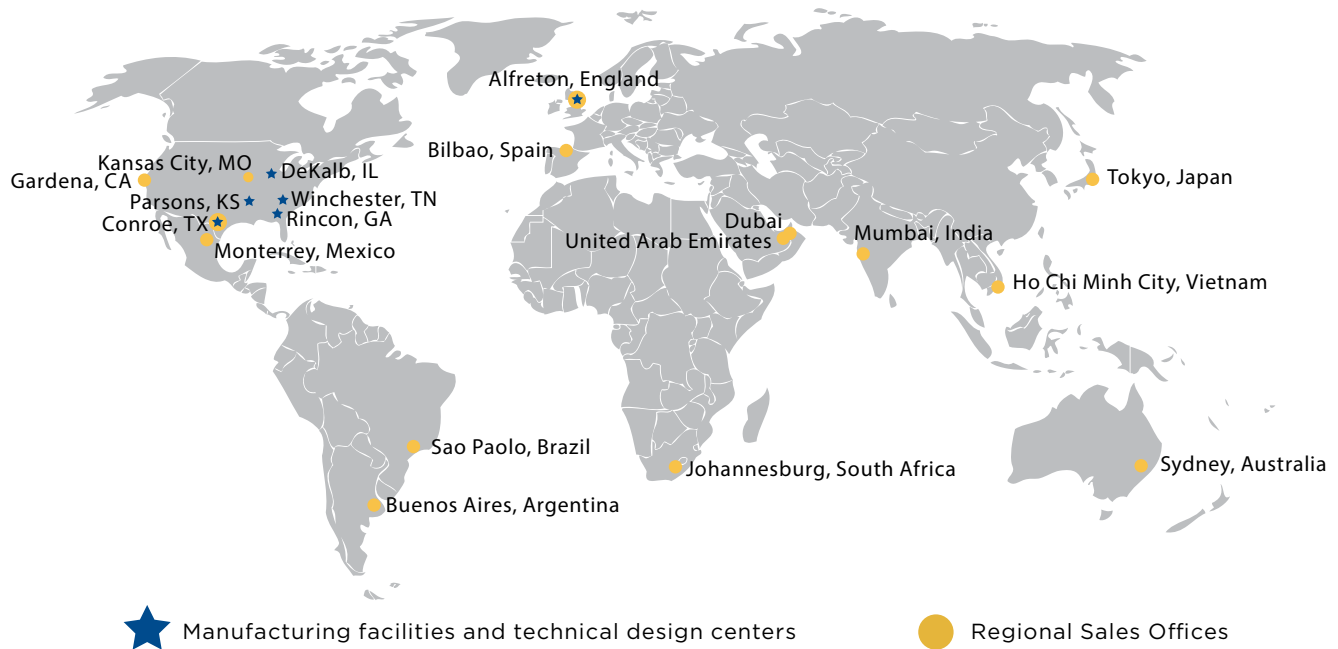
Find your nearest Aquastore Dealer in the dealer locator section at aquastore.com or call **815-756-1551** today!



CST is committed to providing its customers with the highest engineered quality, best service, longest product life and greatest value for every storage solution we supply. Contact CST for all of your water, wastewater and liquid applications.

Worldwide Availability

CST Global Manufacturing and Offices



Certifications and Capabilities:

- ISO 9001:2008
- AISC
- IBC
- Individual State Building Codes
- ANSI/AWWA D103
- NBCC
- FM 4020/4021
- British Standard 7543:2003
- EN 15282/ISO 28765
- NFPA Standard 22
- ANSI/NSF 61



For more information, call **815-756-1551** or visit **aquastore.com** to find an Authorized Aquastore Dealer nearest you.



City of Laurel Project Status Update November 15, 2018



WWTP Screw Press (KLJ #1804-00120)

Project Manager: Travis Jones/Doug Whitney

Reason for Project: The City's WWTP does not currently have adequate sludge handling equipment, which has led to overfilling and backup of the drying beds, digesters, and various other WWTP components. Completion of this project will allow for improved operations and allow for maintenance of the digesters, which cannot be taken offline until this project is completed.

Project Scope: Design and construction of a new screw press to process WWTP sludge.

Milestones:

- Design is complete.
- DEQ received project documents for review on July 26th.
- DEQ review comments received September 23rd. *This triggered an analysis of the BNR process and its ability to handle the screw press filtrate return.*
- A DEQ-2 Deviation Request was submitted on October 8th.
- Reply submitted to DEQ on October 9th.

Current Status:

- The project is awaiting DEQ approval.
- A pre-bid conference was conducted on August 23rd.
- DEQ comments require changes and caused a bid date delay.
- Project Bidding October 15, 2018.

WWTP Digester Rehabilitation (KLJ #TBD)

Project Manager: Travis Jones

Reason for Project: The City has not taken down the digesters for routine cleaning, inspection, and repairs for several years. This is due to inadequacy in the sludge handling equipment.

Project Scope: Complete the design and construction administration for the cleaning, inspection, and repairs of the existing digesters.

Milestones: (As needed)

- Will be concurrent with WWTP Screw Press

Current Status:

- KLJ contract for this design work was included in the WWTP Screw Press amendment recently approved by the City Council. Once the interior of the digester is cleaned and can be evaluated for needed restoration, a construction change order and engineering amendment may be required.



City of Laurel Project Status Update
November 15, 2018



Sanitary Sewer H₂S Remediation (KLJ #1804-00122)

Project Manager: Travis Jones/Doug Whitney

Reason for Project: Buildup of H₂S within the WW collection system has led to deterioration of manholes and other system components.

Project Scope: Complete the design and construction administration for the proposed air injection/diffuser system to address H₂S build-up within the system.

Milestones:

- Sewer sampling plan submitted to the City.
- Sewer samples collected on July 19th.
- Results of sewer sampling received on July 30th.
- Analyses of sampling and recommendations for a second round of sewer sampling submitted to the City on August 3rd.
- Second round of samples collected on August 14th.
- Second round of sampling results received on August 27th.
- Results of second round of sewer sampling received on Sept 25th.

Current Status:

- The City is planning on collecting additional samples.
- City has requested the KLJ proceeds with improvement design independent of future sampling.

WWTP Archimedes Screw Rehabilitation (KLJ #TBD)

Project Manager: Travis Jones

Reason for Project: The grouting around the existing screw pumps is wearing down, which makes the pumps less efficient in the transfer of wastewater.

Project Scope: Complete the design and construction administration for the rehabilitation of the existing screw pumps.

Milestones: (As needed)

Current Status: (KLJ Contract Pending)

- No significant updates since previous status report.



East 6th Street Improvements (KLJ #1804-00121)

Project Manager: Carl Jackson

Reason for Project: Street reconstruction between 1st Ave. and Wyoming Ave. to address failed pavement, saturated subgrade conditions and surface runoff improvements.

Project Scope:

- Grading, paving, parking, and drainage enhancements (minor water main in Wyoming)
- Special Improvement District (sidewalks, driveways), pending approval
- Safety improvements
- Water main and valve replacements in Wyoming intersection.

Milestones:

- Survey – completed April 9-13
- Preliminary design – Fall 2018
- SID creation – Fall/Winter 2018/2019 (tentative)
- Final design – Fall/Winter 2018/2019
- Bidding – February 2019 (tentative)
- Construction – completed before August 2019 start of school year

Current Status: KLJ was recently asked to re-evaluate the scope, by considering the feasibility and cost of an off-street parking lot within Thompson Park along with installing a new water main within East 6th St. to provide looping for side street dead-end connections. The recommendation and path forward will be summarized for the City, following completion of the water system flow testing.

2018 Pavement Maintenance (KLJ #1804-00123)

Project Manager: Carl Jackson

Reason for Project: This continues the City's annual pavement maintenance. As a result of significant freeze-thaw during the 2017-18 winter, several City streets have significant pavement damage.

Project Scope: The 2018 scope is hot mix asphalt for repaving West 4th Street (6th Ave. - 8th Ave.) and pothole repairs on West Railroad Street.

Milestones: Construction is substantially complete. Striping will need to wait until Spring 2019.

Current Status: CMG construction is completing punch list items, likely the week of 11/12.



*City of Laurel Project Status Update
November 15, 2018*



LURA Infrastructure Improvements (KLJ #1804-01309)

Project Manager: Carl Jackson

Reason for Project: Reconstruction and rehabilitation of streets, utilities and various other infrastructure improvements including Washington Ave., Idaho Ave. and Ohio Ave. generally bound between E. Main Street and E. 1st Street, as well as E. 1st Street generally bound between Washington Ave. and Alder Ave.

Project Scope: Preliminary engineering (survey, geotechnical and CCTV inspections), SID creation, design, bidding and construction.

Milestones:

- Task Order approved by City Council – November 6, 2018
- Survey & Geotechnical field work – November 15-December 7
- SID creation – December 2018-March 2019
- Preliminary Engineering – January 1, 2019
- Design & Bidding – pending results and completion of Preliminary Engineering
- Construction – will occur during 2019 construction season

Current Status: Field work is beginning. KLJ will facilitate a kick-off meeting with City to discuss City's Preliminary Engineering responsibilities and the SID scope/schedule. The City should schedule CCTV inspection of utilities.



City of Laurel Project Status Update ***November 15, 2018***



Pavement Management Plan Update (KLJ #1804-01970)

Project Manager: Bryan Vanderloos

Reason for Project: Develop an updated pavement management plan (PMP) including MDT and City streets within the Laurel corporate limits. This will be used for prioritizing the City's annual pavement maintenance projects, along with satisfying MDT's requirement that the City update its PMP on a regular basis to be eligible for certain future State funding.

Project Scope: Conduct a field inventory by assessing paved streets utilizing the Pavement Surface Evaluation and Rating (PASER) methodology. A rating of 1-10 will be given to each road segment based on distresses such as cracks, ruts, potholes, etc. Known roads that have failed pavement sections and are in disrepair will not be evaluated, and simply given a poor rating. Information will be compiled in a report that includes tables and associated mapping of the City streets.

Milestones:

- Field Inventory (pavement condition assessment) – November 1, 2018
- PASER analysis and draft PMP (report) – January 15, 2019
- Finalize PMP (report) based on City review and feedback – February 1, 2019

Current Status: Data collection began the week of October 8th and is ongoing. Data collection was completed on November 1, 2018. KLJ has begun reviewing the data and drafting the pavement management plan.

On-Call Professional Services (KLJ #1804-00347)

Project Manager: Carl Jackson

Reason for Project: This contract would enable KLJ to provide consulting services that are not part of an approved task order. Generally, this would apply to situations where KLJ's fees are small enough that a separate task order is not necessary, or for time-sensitive matters.

Project Scope: Services may include engineering, surveying, planning or government relations.

Milestones: (as needed)

Current Status: No services were provided last month. Kurt recently requested KLJ's assistance with estimating costs to extend City infrastructure to the West Laurel Interchange, and this work will likely be completed as per this on-call task order.



City of Laurel Project Status Update November 15, 2018



Laurel Planning Services (KLJ #1804-00554)

Project Manager: Forrest Sanderson

Reason for Project: KLJ has been retained to provide City of Laurel planning services during the interim period, while the search for the new City Planner is ongoing.

Project Scope: Planning services may include: subdivision, zoning, development, floodplain hazard management, miscellaneous reviews and other related work. KLJ will prepare staff reports, recommendations, and attend meetings upon request.

Milestones: (as needed)

Current Status:

Floodplain Management – During this cycle we answered questions related to floodplain development and requirements for development and redevelopment of flood prone properties.

Note: KLJ's efforts associated with the **Riverside Park Latrine** (oil spill damage project) survey, ADA and floodplain permitting will be completed under this project and task. Our survey team set an elevation hub at a location approved by the Public Works Director to assist with the location of the latrine project.

Subdivision Review – The primary project during this cycle continues to be Regal Park as they move to final plat, time involved engineering as well as planning services. We have also started the pre-application process with Performance Engineering for a subdivision proposed by the 2525 Trust. A Family Transfer for Moore was recommended for approval and a Final Plat Check print for the Russel Minor were completed.

Zoning – Answered several questions on Zoning compliance. Prepared a staff report and attended the Planning and Zoning Commission meeting on the Special Review process for the Vue and Brew Theater. Answered application questions related to a pending annexation and initial zoning request being prepared by Performance Engineering.

Planning – Attended the Planning Board meeting and several meetings with the Building Official and Public Works Director on a variety of projects.



City of Laurel Project Status Update

November 15, 2018



Other Notes and Information

Other potential projects have been identified during recent conversations between City staff and KLJ. Most recently, City Public Works staff and KLJ task leaders met on September 11th to confirm the path forward, which is summarized below. As these are tentative, the timing and extent of KLJ's services are TBD, unless noted otherwise.

Anticipated FY19 Projects

1. Booster station rehabilitation or replacement (task order forthcoming)
 - a. Anticipated as a spring 2019 project.
2. Capital Improvement Plan (CIP) assistance – pending further direction from the City.
3. Planning (task order amendments forthcoming)
 - a. Review of development rules and regulations (related to public works and planning)
 - b. Growth Policy update
4. Pavement Maintenance (crack/chip seal, other repairs TBD)
 - a. This will be annual; tentatively scheduled for bidding in spring 2019
5. Railroad Street coordination
 - a. A joint resolution between the City and County is pending.
6. Sanitary sewer manhole replacements (location TBD)
7. Water storage tank evaluation
 - a. Tim is coordinating inspections of the tanks soon, which will help determine the recommended scope of work, which may include external and internal coating.

Other Potential Future Projects

1. Examining engineer review of 3rd Party submittals to City
2. Lion's park grant application assistance
3. On-call government relations
4. Riverside Park improvements
5. West side groundwater remediation

MEMORANDUM

Date: November 19, 2018

To: Kurt Markegard, Public Works Director – City of Laurel

From: Chad E. Hanson, PE

Subject: Project Progress Update

The following sections summarize the current status and recent progress on active task orders under our "on-call" engineering contract with the City. Please let me know if you have any questions and/or would like more information.

Task Order No. 25 – Intake Emergency Plan

Wilson Brother Construction removed the temporary weir. Great West will continue to assist the City in coordinating the work and/or with any permitting issues related to the work as requested.

Task Order No. 26 – New Water Intake

The new intake has been fully functional since it was back flushed. Two warranty items on the project remain, a potential leak in the hot water flush line and reseeding areas.

1. The leak in the hot water flush line has been located and was a result of thermal expansion/contraction in the HDPE line that the pipe supplier claimed would not be a problem due to the insulation. Great West and Wilson Brother have worked with the manufacturer to develop a remedy that includes an anchor plate welded onto the pipe encased in a concrete block. Wilson Brother is tentatively scheduled to complete the repair on November 20th.
2. CHS refinery expressed concerns with the reclamation but stated they are only willing to discuss specific areas of concern with the City. Kurt verbally indicated that CHS is not requiring any additional seeding.

We submitted the additional documentation for the wetland restoration along the transmission main route requested by Robert Cole with the Army Corps of Engineers on the City's behalf. We have reviewed the Corps' response to the additional documentation but are waiting on direction from the City before preparing a response.

Task Order No. 29 – Phase 3 Water System Improvements

COP Construction continues making progress on the project, and we have been providing on-site observation as applicable, holding weekly update meetings with the City, and conducting weekly construction progress meetings with the City and COP Construction. We have also continued to respond to requests for information (RFIs) from the Contractor and to review submittals as they are received.

Task Order No. 38 – Phase 4 Water System Improvements

No work has been performed since the Progress Update Memo dated July 10, 2018, which stated:

The Phase 4 Improvements include lowering the 2003 intake, adding an additional raw water pump at the WTP, and installing VFDs on all of the large raw water pumps. TSEP and DNRC grant applications for the project were submitted in the spring of 2016 but fell below the funding line. The City needs to complete the lowering of the 2003 intake to comply with the Army Corps permit for the new intake but is undecided on a schedule for the work.

We have done no work on the project and will not until so directed by the City.

Task Order No. 39 – Water and Sewer Rate Study

No work has been performed since the Progress Update Memo dated July 10, 2018, which stated:

We gathered and updated revenue and expense data utilized for the basis of the rate study and presented it to the City in the fall of 2017. We have since suspended work on the rate study until otherwise directed by the City. A meeting to outline objectives and goal of the new Mayor, new Chief Administrative Officer, and remaining City staff for the study is recommended if the City wishes to move forward and complete the study.













Backup material for agenda item:

Arbor Day Proclamation 2019



Whereas, In 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

Whereas, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

Whereas, Arbor Day is now observed throughout the nation and the world, and

Whereas, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and

Whereas, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

Whereas, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

Whereas, trees, wherever they are planted, are a source of joy and spiritual renewal.

Now, Therefore, I, _____, Mayor of the City of _____, do hereby proclaim _____ as

Arbor Day

In the City of _____, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Dated this _____ day of _____
Mayor _____

Backup material for agenda item:

Airport Authority Appointment for a five-year term ending 12/31/2023.
Jame Swensgard

November 19, 2018
4456 River Road
Laurel, Montana 59044

Honorable Mayor Thomas Nelson
115 W 1st Street
P.O. Box 10
Laurel, Mt 59044

Dear Mr. Mayor:

Allow me to introduce myself; my name is James Swensgard I live at 4456 River Rd, Laurel, Mt. I have been at that address since 2012. I am a commercial pilot with around 10,000 flight hours, have owned a couple of FBO's along with Managing National Chain FBO's and Corporate Air on Logan Airport Billings. I have been involved in General aviation for the past 30 years or so and have served as a Board member on the Chouteau County Airport Board which was a 6 year term. I hold Private, multi-engine, flight instructor certificates and have a strong knowledge of the workings of county airports along with a back ground working with the FFA on fuel farms, runway extensions, new runways etc.

I understand that there is a vacant spot on the Laurel Airport Authority and I would like to submit my name as a knowledgeable individual dealing with general aviation airports.

I would be available at your request for a face to face visit on this subject.

Thank you,

A handwritten signature in black ink, appearing to read "James Swensgard", with a stylized flourish at the end.

James Swensgard

406-697-4191

Backup material for agenda item:

Appointment of Mardie Spalinger to Laurel Urban Renewal Agency for a four-year term ending 12/31/2022.



CITY OF LAUREL

BOARDS, COMMISSIONS, AND COMMITTEES

REAPPOINTMENT FORM

Date: 10-29-18

Name of Member: Mardie Spalinger

I presently serve on the LURA and wish
(Board/Commission/Committee)
to be considered for reappointment to another term.

Signature: Mardie Spalinger

Date: 10-29-18

Please submit this form to: Administrative Assistant
City of Laurel
P.O. Box 10
Laurel, MT 59044

Backup material for agenda item:

Resolution No. R18-82: A resolution of the City Council resetting the January 1, 2019, Council Meeting to January 2, 2019.

RESOLUTION NO. R18-__

**A RESOLUTION OF THE CITY COUNCIL RESETTING THE JANUARY 1, 2019
COUNCIL MEETING TO JANUARY 2, 2019.**

WHEREAS, City Council meetings of the Laurel City Council are scheduled for the first and third Tuesdays of each month; and

WHEREAS, the City Council has the discretion to reset meetings due to conflicts that arise pursuant to LMC 2.10.030; and

WHEREAS, the City Council has determined it is in the City's best interest to change the date of the City Council scheduled for January 1, 2019, to January 2, 2019.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana, the City Council meeting of the City Council of the City of Laurel, Montana currently scheduled for Tuesday, January 1, 2019, is hereby reset to Wednesday, January 2, 2019. Notice of the change shall be posted at City Hall and sent to the Laurel Outlook.

Introduced at a meeting of the City Council on December 4, 2018, by Council Member _____.

PASSED and ADOPTED by the City Council of the City of Laurel, Montana, this 4th day of December 2018.

CITY OF LAUREL

Thomas C. Nelson, Mayor

ATTEST:

Bethany Langve, Clerk-Treasurer

APPROVED AS TO FORM:

Sam Painter Civil City Attorney

Backup material for agenda item:

Resolution No. R18-83: Resolution Relating to \$4,921,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2018; Authorizing the Issuance and Fixing the Terms and Conditions Thereof

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____, entitled: "RESOLUTION RELATING TO \$4,921,000 WATER SYSTEM REVENUE BOND (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), SERIES 2018; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on December 4, 2018, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____; or
were absent: _____.

WITNESS my hand officially this ____ day of December, 2018.

City Clerk-Treasurer

SUPPLEMENTAL RESOLUTION

Relating to

\$4,921,000

WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM),
SERIES 2018

CITY OF LAUREL, MONTANA

Adopted: December 4, 2018

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(For convenience only, not a part of this Supplemental Resolution)

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RESOLUTION NO. _____

RESOLUTION RELATING TO \$4,921,000 WATER SYSTEM
REVENUE BOND (DNRC DRINKING WATER STATE
REVOLVING LOAN PROGRAM), SERIES 2018;
AUTHORIZING THE ISSUANCE AND FIXING THE TERMS
AND CONDITIONS THEREOF

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 6, Part 2, as amended (the “Act”), the State of Montana (the “State”) has established a revolving loan program (the “Program”) to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the “DNRC”), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the “DEQ”), and has provided that a drinking water state revolving fund (the “Revolving Fund”) be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state drinking water revolving fund under the federal Safe Drinking Water Act (the “Safe Drinking Water Act”), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Safe Drinking Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the City of Laurel, Yellowstone County, Montana (the “Borrower”) has applied to the DNRC for the 2018 Loan (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for a portion of the costs of the 2018 Project (as hereinafter defined) which will carry out the purposes of the Safe Drinking Water Act; and

WHEREAS, the Borrower is authorized under the Original Resolution (as hereinafter defined), applicable laws, ordinances and regulations to adopt this Supplemental Resolution and to issue the Series 2018 Bond (as hereinafter defined) to evidence the 2018 Loan (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund the 2018 Loan (as hereinafter defined) entirely with Recycled Money (as hereinafter defined).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAUREL, MONTANA, AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1 Definitions. Unless a different meaning clearly appears from the context, terms used with initial capital letters but undefined in this Supplemental Resolution shall have the meanings given them in the Original Resolution, the Indenture, or as follows:

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

“Act” means Montana Code Annotated, Title 75, Part 6, Chapter 2, as amended from time to time.

“Administrative Expense Surcharge” means a surcharge on the 2018 Loan charged by the DNRC to the Borrower equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loan, payable by the Borrower on the same dates that payments of interest on the 2018 Loan are due.

“Authorized DNRC Officer” means the Director of the DNRC or his or her designee.

“Bond Counsel” means any Counsel acceptable to the DNRC which is nationally recognized as bond counsel. Counsel is nationally recognized as bond counsel if it has rendered a legal opinion as to the validity and enforceability of state or municipal bonds and as to the exclusion of interest thereon from gross income for federal income tax purposes (short-term issues excluded) during the two-year period preceding the date of determination.

“Bond Register” means, with respect to the Series 2018 Bond, the registration books maintained by the Registrar pursuant to Section 8.4 of this Supplemental Resolution.

“Bonds” means the Series 2003 Bond, the Series 2009A Bond, the Series 2009C Bond, the Series 2016 Bond, the Series 2018 Bond, and any Water Debt issued pursuant to Article VIII of the Original Resolution, as amended, excluding Section 8.4 of the Original Resolution, as amended.

“Borrower” means the City.

“Business Day” means any day which is not a Saturday or Sunday and is not a day on which banks in Montana are authorized or required by law to close.

“City” means the City of Laurel, Montana, or any permitted successor or assign.

“Closing” means the date of delivery of the Series 2018 Bond to the DNRC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral Documents” means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the Borrower under this

Supplemental Resolution and the Series 2018 Bond. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

“Committed Amount” means the amount of the 2018 Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Sections 3.2 and 3.4 of this Supplemental Resolution.

“Consultant” means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the 2018 Project, selected by the Borrower and satisfactory to the DNRC.

“Council” means the City Council of the Borrower.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

“Debt” means, without duplication, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“Debt Service Account” means the account created in the Water System Fund pursuant to Section 9.5 of the Original Resolution.

“DEQ” means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the Act or the EPA Agreements.

“DNRC” means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the Act.

“Enabling Act” means Montana Code Annotated, Title 7, Chapter 7, Part 44, as amended, which authorizes the Borrower to own and operate the System, to undertake the 2018 Project and to issue the Series 2018 Bond to finance all or a portion of the costs of the 2018 Project.

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Safe Drinking Water Act.

“EPA Agreements” means all capitalization grant agreements and other written agreements between the DEQ, the DNRC and the EPA concerning the Program.

“EPA Capitalization Grant” means a grant of funds to the State by the EPA under Section 1452 of the Safe Drinking Water Act.

“Estimated Completion Date” means [_____], 20__ the date by which it is estimated by the Borrower that the 2018 Project will be substantially completed.

“Fund” means the Water System Fund established pursuant to Section 9.1 of the Original Resolution.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Indenture” means the Indenture of Trust, dated as of May 1, 1998, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

“Johnson Controls Loan” means the Subordinate Obligation issued to finance certain improvements to the System, as described in Resolution R06-44 of the City, adopted on May 2, 2006. [still outstanding?]

“Loan Loss Reserve Surcharge” means a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loan, payable on the same dates that payments of interest on the 2018 Loan are due.

“Loan Repayments” means periodic installments of principal and interest by Borrower in repayment of the Series 2018 Bond, at the rate and times specified in Article V of this Supplemental Resolution.

“Operating Account” means the account created in the Water System Fund pursuant to Section 9.4 of the Original Resolution.

“Opinion of Counsel” means a written opinion of Counsel.

“Original Resolution” means Resolution No. R97-48 of the City adopted on September 4, 1997.

“Person” means any Private Person or Public Entity.

“Private Person” means an individual, corporation, partnership, association, joint venture, joint stock company or unincorporated organization, except a Public Entity.

“Payment Date” means, with respect of the 2018 Loan, each January 1 and July 1 during the term of the 2018 Loan on which a payment of interest or principal and interest is due, as determined under this Supplemental Resolution.

“Program” means the Drinking Water State Revolving Fund Program established by the Act.

“Project” means the costs of designing, engineering, acquiring, constructing, installing, improving, or enlarging the System, or any part thereof, financed, refinanced or the cost of which is being reimbursed to the Borrower in whole or in part with proceeds of the Bonds or other funds of the Borrower, including the 2018 Project.

“Public Entity” means a municipality, city, county, school district, political or administrative subdivision of State government, irrigation district, drainage district or other public body established by State law.

“Recycled Money” means payments and prepayments of any Program loan, and any other amounts transferred to the Principal Subaccount in the Revenue Subaccount of the State Allocation Account.

“Registrar” has the meaning set forth in Section 8.4 of this Supplemental Resolution.

“Regulations” means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2018 Bond.

“Repair and Replacement Account” means the Account created in the Water System Fund pursuant to Section 9.6 of the Original Resolution.

“Reserve Account” means the account created in the Water System Fund pursuant to Section 9.3 of the Original Resolution.

“Reserve Requirement” means, as of the date of calculation, an amount equal to one-half the sum of the highest cumulative amount of principal of and interest payable on all outstanding Bonds in any one future fiscal year (giving effect to mandatory sinking fund redemption, if any).

“Resolution” means the Original Resolution, as amended and supplemented by Resolution Nos. R98-47, R03-47, R09-10, R09-124, R10-19, R10-124, R12-95 and R16-48, adopted by the City Council on August 18, 1998, March 18, 2003, January 20, 2009, November 3, 2009, February 16, 2010, November 20, 2012 and July 5, 2016, respectively, as further amended and supplemented by this Supplemental Resolution and as it may be further amended and supplemented in accordance with its terms.

“Safe Drinking Water Act” means Title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

“Series 2003 Bond” means the First Amended and Restated Water System Revenue Bond (DNRC Revolving Loan Program), Series 2003, issued by the City in the original principal amount of up to \$2,541,000 pursuant to the Resolution as then in effect.

“Series 2009A Bond” means the Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009A, issued by the City in the original principal amount of up to \$500,000 pursuant to the Resolution as then in effect.

“Series 2009C Bond” means the Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009C, issued by the City in the original principal amount of up to \$500,000 pursuant to the Resolution as then in effect.

“Series 2016 Bond” means the Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2016, issued by the City in the original principal amount of up to \$1,700,000 pursuant to the Resolution as then in effect.

“Series 2018 Bond” means the \$4,921,000 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2018, issued to the DNRC to evidence the 2018 Loan.

“State” means the State of Montana.

“State Bonds” means the State’s General Obligation Bonds (Drinking Water State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

“Subordinate Obligations” means any subordinate obligations issued under Section 8.4 of the Original Resolution

“Supplemental Resolution” means this Resolution No. _____ of the Borrower adopted on December 4, 2018.

“Surplus Account” means the account created in the Water System Fund pursuant to Section 9.7 of the Original Resolution.

“Surplus Net Revenues” means that portion of the Net Revenues in excess of the current requirements of the Operating Account, the Debt Service Account and the Reserve Account.

“System” means the water system of the Borrower and all extensions, improvements and betterments thereof hereafter constructed and acquired, including, without limitation, the 2018 Project.

“Trustee” means U.S. Bank National Association, in Seattle, Washington, or any successor trustee under the Indenture.

“2018 Committed Amount” means the amount of the 2018 Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Section 3.2 and Section 3.4 of this Supplemental Resolution.

“2018 Loan” or “Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2018 Committed Amount to provide funds to pay a portion of the costs of the 2018 Project.

“2018 Project” means the designing, engineering, and construction of the facilities, improvements and activities financed, refinanced or the cost of which is being financed by or reimbursed to the Borrower in part with proceeds of the 2018 Loan, described in Appendix A hereto.

“Water Debt” means all Bonds and any other Debt incurred to acquire, construct, extend, improve, add to or otherwise pay expenses of or related to the System, without regard to the source of payment and security for such Debt (i.e., without regard to whether it is general obligation or revenue Debt), including the Johnson Controls Loan.

“Water System Fund” means the fund created by Section 9.1 of the Original Resolution.

Section 1.2 Other Rules of Construction. For all purposes of this Supplemental Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

(b) Terms in the singular include the plural and vice versa.

(c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.

(d) All references to mail shall refer to first-class mail postage prepaid.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) “Or” is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3 Appendices. Attached to this Supplemental Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the 2018 Project;

Appendix B: the form of the Series 2018 Bond; and

Appendix C: additional agreements and representations of the Borrower.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1 Authorization and Findings.

(a) Authorization. Under the provisions of the Enabling Act, the Borrower is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of a municipal water system or to refund revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by

such water system, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the water system to the Borrower.

(b) The System. The Borrower, pursuant to the Enabling Act and other laws of the State, has established and presently owns and operates the System.

(c) The 2018 Project. After investigation of the facts and as authorized by the Enabling Act, this Council has determined it to be necessary and desirable and in the best interests of the Borrower to undertake the 2018 Project.

(d) Outstanding Bonds. Pursuant to the Enabling Act and the Resolution, the Borrower has issued its Series 2003 Bond, the Series 2009A Bond, the Series 2009C Bond, and the Series 2016 Bond to finance or refinance improvements to the System. The Series 2003 Bond, the Series 2009A Bond, the Series 2009C Bond, and the Series 2016 Bond are parity Bonds payable from and secured by Net Revenues of the System. No other bonds or indebtedness are currently outstanding that are payable from revenues of the System, except the outstanding Johnson Controls Loan, which is payable from Surplus Net Revenues.

(e) Additional Parity Bonds. The Borrower reserved the right under Section 8.2 of the Original Resolution, as amended, to issue additional Bonds payable from the Debt Service Account of the Fund on a parity as to both principal and interest with the outstanding Bonds, if the Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such additional Bonds have equaled at least 110% of the maximum amount of principal and interest payable from the Debt Service Account in any subsequent fiscal year during the term of the outstanding Bonds, on all Bonds then outstanding and on the additional Bonds proposed to be issued. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of the additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower pursuant to Section 2.2(e) of the Original Resolution, as amended, except that if the rates and charges for services provided by the System or finally authorized to go into effect within 60 days after the issuance of the additional Bonds have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the additional Bonds shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the additional Bonds proposed to be issued. In no event shall any additional Bonds be issued and made payable from the Debt Service Account if the Borrower is then in default in any payment of principal of or interest on any outstanding Bonds payable therefrom, or if there then exists any deficiency in the balances required by the Original Resolution to be maintained in any of the accounts of the Fund, which will not be cured or restored upon the issuance of the additional Bonds. It is hereby determined that the Borrower is authorized to issue \$4,921,000 in aggregate principal amount of additional Bonds pursuant to Section 8.2 of the Original Resolution, as amended, payable from and secured by the Net Revenues on a parity with the outstanding Series 2003 Bond, the Series 2009A Bond, the Series 2009C Bond and the Series 2016 Bond. In calculating the adequacy of Net Revenues for such certificate, the Johnson Controls Loan is disregarded as it is a Subordinate Obligation.

Section 2.2 Representations. The Borrower represents as follows:

(a) Organization and Authority. The Borrower:

(1) is duly organized and validly existing as a municipal corporation and political subdivision of the State;

(2) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Supplemental Resolution and to enter into the Collateral Documents and to issue the Series 2018 Bond and to carry out and consummate all transactions contemplated by the Supplemental Resolution, the Series 2018 Bond and the Collateral Documents;

(3) is a Governmental Unit and a Public Entity; and

(4) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2018 Bond in the maximum amount of the Committed Amount.

(b) Litigation. There is no litigation or proceeding pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the Borrower, or the ability of the Borrower to make all payments and otherwise perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by the Resolution, the Series 2018 Bond and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2018 Bond and the Collateral Documents. No referendum petition has been filed with respect to any resolution or other action of the Borrower relating to the 2018 Project, the Series 2018 Bond or any Collateral Documents and the period for filing any such petition will have expired before issuance of the Series 2018 Bond.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2018 Bond and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents and compliance by the Borrower with the provisions of the Resolution, the Series 2018 Bond and the Collateral Documents:

(1) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower; and

(2) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other

than the Resolution and any Collateral Documents) to which the Borrower is a party or by which the Borrower or its property may be bound, nor will such action result in any violation of the provisions of any charter or similar document, if applicable, any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(d) No Defaults. No event has occurred and no condition exists that, upon execution and delivery of the Series 2018 Bond and the Collateral Documents, would constitute a default under the Resolution or the Collateral Documents. The Borrower is not in violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the Borrower with the terms hereof or of the Series 2018 Bond and the Collateral Documents.

(e) Governmental Consent. The Borrower has obtained or made all permits, findings and approvals required to the date of adoption of this Supplemental Resolution by any governmental body or officer for the making and performance by the Borrower of its obligations under this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents (including any necessary water rate increase) or for the 2018 Project, the financing or refinancing thereof or the reimbursement of the Borrower for the costs thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the Borrower as a condition to adopting this Supplemental Resolution, issuing the Series 2018 Bond or entering into the Collateral Documents and the performance of the Borrower's obligations hereunder and thereunder.

(f) Binding Obligation. The Resolution, the Series 2018 Bond and any Collateral Document to which the Borrower is a party are the valid and binding special, limited obligations and agreements of the Borrower, enforceable against the Borrower in accordance with their terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The System. The System is a "community water system" within the meaning of the Act and the Safe Drinking Water Act in that it is a public water system, comprising collection, treatment, storage and distribution facilities for the provision to the public of water for human consumption, that serves not less than 15 service connections used by year-round residents of the area served by the System or regularly serves more than 25 year-round residents.

(h) The 2018 Project. The 2018 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with Article III of this Supplemental Resolution. The 2018 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national primary drinking water regulations applicable to the System or will otherwise significantly further the health protection objectives of the Safe Drinking Water Act.

(i) Full Disclosure. There is no fact that the Borrower has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the Borrower can now

foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the Borrower's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner it is currently operated or the Borrower's ability to perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2018 Bond.

(j) Compliance With Law. The Borrower:

(1) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(2) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under the Resolution, the Series 2018 Bond and the Collateral Documents.

Section 2.3 Covenants.

(a) Insurance. The Borrower at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self-insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. All such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this Section 2.3(a) and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The Borrower shall deliver to the DNRC at Closing a certificate providing the information required by this Section 2.3(a).

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower

for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

(c) Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under the Resolution, the Series 2018 Bond and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under the Resolution, the Series 2018 Bond and the Collateral Documents.

(d) Maintenance of Security, if Any; Recordation of Interest.

(1) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Resolution and the Collateral Documents so long as any amount is owing under the Resolution or the Series 2018 Bond;

(2) The Borrower shall forthwith, after the execution and delivery of the Series 2018 Bond and thereafter from time to time, cause the Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by the Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(3) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (2), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2018 Bond and the Collateral Documents and the documents described in subparagraph (2).

(e) Additional Agreements. The Borrower covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. This Section 2.3(f) supplements, and is not intended to limit, the requirements in Section 2.2(e) of the Original Resolution, as amended. The Borrower agrees that for each fiscal year it shall furnish to the DNRC and the DEQ, promptly when available, in addition to those matters specified in Section 2.2(e) of the Original Resolution:

(1) the preliminary annual budget for the System, with items for the 2018 Project shown separately; and

(2) when adopted, the final annual budget for the System, with items for the 2018 Project shown separately.

(g) 2018 Project Accounts. The Borrower shall maintain Project accounts in accordance with generally accepted government accounting standards.

(h) Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Safe Drinking Water Act, as provided in Section 75-6-224(1)(d) of the Act.

(i) Compliance with Safe Drinking Water Act. The Borrower has complied and shall comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the 2018 Loan and the 2018 Project.

(j) Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 75-6-224(1)(h) of the Act.

Section 2.4 Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2018 Bond or any other funds of the Borrower in respect of the 2018 Project or the Series 2018 Bond, directly or indirectly, in a manner that would cause, or take any other action that would cause, any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the 2018 Loan or the portion of the 2018 Loan derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of the 2018 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the 2018 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the 2018 Loan, be owned by the Borrower and not by any other Person. Any portion of the 2018 Project being financed

shall be acquired by and shall, during the term of the 2018 Loan, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the 2018 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under the Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Supplemental Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on the State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of the 2018 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Safe Drinking Water Act.

(e) At the Closing of the 2018 Loan, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the “Arbitrage Rebate Instructions”). The Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the 2018 Loan it will not contract with or permit any Private Person to manage the 2018 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease the 2018 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under the Resolution; provided the Borrower may lease all or any portion of the 2018 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the 2018 Project if (i) such change will violate the Safe Drinking Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.5 Maintenance of System; Liens. The Borrower shall maintain the System, including the 2018 Project, in good condition and make all necessary renewals, replacements,

additions, betterments and improvements thereto. The Borrower shall not grant or permit to exist any lien on the 2018 Project or any other property making up part of the System, other than liens securing Debt where a parity or senior lien secures the Series 2018 Bond; provided that this Section 2.5 shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the Borrower uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.6 Maintenance of Existence; Merger, Consolidation, Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under the Resolution, the Series 2018 Bond and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under the Resolution, the Series 2018 Bond and the Collateral Documents, (b) such action does not violate the Act or the Safe Drinking Water Act and does not adversely affect the exclusion of interest on the Series 2018 Bond or the State Bonds from gross income for federal income tax purposes and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.6.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

ARTICLE III

USE OF PROCEEDS; THE 2018 PROJECT

Section 3.1 Use of Proceeds. The Borrower shall apply the proceeds of the 2018 Loan from the DNRC solely as follows:

(a) The Borrower shall apply the proceeds of the 2018 Loan solely to the financing, refinancing or reimbursement of the costs of the 2018 Project as set forth in Appendix A hereto and this Section 3.1. The 2018 Loan will be disbursed in accordance with ARTICLE IV hereof and Article VII of the Indenture. If the 2018 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the 2018 Project and expend proceeds of the 2018 Loan to pay the costs of completing the 2018 Project.

(b) No portion of the proceeds of the 2018 Loan shall be used to reimburse the Borrower for costs paid prior to the date of adoption of this Supplemental Resolution of a Project the construction or acquisition of which occurred or began earlier than June 1, 1993. In addition, if

any proceeds of the 2018 Loan are to be used to reimburse the Borrower for 2018 Project costs paid prior to the date of adoption of this Supplemental Resolution, the Borrower shall have complied with Section 1.150-2 of the Regulations in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the 2018 Loan was incurred after June 1, 1993 for a Project the construction or acquisition of which began after June 1, 1993. No proceeds of the 2018 Loan shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2 The 2018 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2018 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any to be funded from the 2018 Loan (the 2018 Project may consist of more than one facility or activity), and an estimated budget relating to the 2018 Project. The 2018 Project may be changed and the description thereof in Appendix A may be amended from time to time by the Borrower but only after delivery to the DNRC of the following:

(a) A certificate of the Borrower setting forth the amendment to Appendix A and stating the reason therefor, including statements whether the amendment would cause an increase or decrease in the cost of the 2018 Project, an increase or decrease in the amount of proceeds of the 2018 Loan which will be required to complete the 2018 Project and whether the change will materially accelerate or delay the construction schedule for the 2018 Project;

(b) A written consent to such change in the 2018 Project by an Authorized DNRC Officer;

(c) An Opinion or Opinions of Bond Counsel stating that the 2018 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the Act and is, and was at the time the Series 2018 Bond was issued, eligible for financing under the Enabling Act, such amendment will not violate the Act or the Enabling Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2018 Bond from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed; and

The Borrower acknowledges and agrees that an increase in the principal amount of the 2018 Loan may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the Borrower of a resolution amendatory of or supplementary to the Resolution authorizing the additional loan and delivery of written certifications by officers of the Borrower to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in the resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such Debt. No assurance can be given that any additional

loan funds will be available under the Program at the time of any such application or thereafter. The Borrower acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their agents, employees or representatives shall have any liability to the Borrower and have made no representations to the Borrower as to the sufficiency of the 2018 Loan to pay costs of the 2018 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2018 Loan.

Section 3.3 2018 Project Representations and Covenants. The Borrower hereby represents to and covenants with the DNRC that:

(a) all construction of the 2018 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations and standards;

(b) all future construction of the 2018 Project will be done only pursuant to fixed price construction contracts. The Borrower shall obtain a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and ensure that such bond is maintained until construction is completed to the Borrower's, the DNRC's and the DEQ's satisfaction;

(c) all future construction of the 2018 Project will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(d) all laborers and mechanics employed by contractors and subcontractors on the 2018 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(e) iron and steel products used in the 2018 Project comply with the "American Iron and Steel" requirements of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76), as those requirements are further interpreted by applicable EPA guidance;

(f) the 2018 Project is a project of the type permitted to be financed under the Enabling Act, the Act and the Program and Section 1452 of the Safe Drinking Water Act; and

(g) the Borrower will undertake the 2018 Project promptly after the Closing Date and will cause the 2018 Project to be completed as promptly as practicable with all reasonable dispatch, except only as completion may be delayed by a cause or event not reasonably within the control of the Borrower; it is estimated by the Borrower that the 2018 Project will be substantially completed by the Estimated Completion Date.

Section 3.4 Completion or Cancellation or Reduction of Costs of the 2018 Project.

(a) Upon completion of the 2018 Project, the Borrower shall deliver to the DNRC a certificate stating that the 2018 Project is complete, stating the amount, of the Reserved Amounts, and releasing the remaining amount, if any, of the Committed Amount. If any Reserved Amount is not later needed, the Borrower shall so inform the DNRC and release such

amount. If Appendix A describes two or more separate projects as making up the 2018 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2018 Project is cancelled or cut back or its costs are reduced or for any other reason the Borrower will not require the full Committed Amount, the Borrower shall promptly notify the DNRC in writing of such fact and release the portion of the Committed Amount which will not be needed.

ARTICLE IV

THE 2018 LOAN

Section 4.1 The 2018 Loan; Disbursement of 2018 Loan. The DNRC has agreed to lend to the Borrower, from time to time as the requirements of this Section 4.1 are met, an amount up to \$4,921,000 (the “Committed Amount”) for the purposes of financing, refinancing or reimbursing the Borrower for a portion of the costs of the 2018 Project; provided the DNRC shall not be required to loan any proceeds of the State Bonds to the Borrower after the Estimated Completion Date. The Committed Amount may be reduced as provided in Section 3.2 and Section 3.4 of this Supplemental Resolution. The City will fund a deposit to the Reserve Account and pay the costs of issuance of the Series 2018 Bond from funds it has on hand and available therefor.

(a) The DNRC intends to disburse the 2018 Loan through the Trustee. In consideration of the issuance of the Series 2018 Bond by the Borrower, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2018 Loan upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2018 Bond and the security therefor and stating in effect that interest on the Series 2018 Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2018 Bond, fully executed and authenticated;

(3) a certified copy of the Resolution and this Supplemental Resolution;

(4) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2018 Loan;

(5) if all or part of a Loan is being made to refinance a Project or reimburse the Borrower for the costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in (1) above, (A) that the acquisition or construction of the Project was begun no earlier than June 1, 1993 or the debt was incurred no earlier than June 1, 1993, (B) of the Borrower’s title to the Project, (C) of the costs of such Project and that such costs have been paid by the Borrower and (D) if such costs were paid before adoption of this Supplemental Resolution that the Borrower has complied with Section 1.150-2 of the Regulations;

(6) the items required by the Indenture for the portion of the 2018 Loan to be disbursed at Closing; and

(7) such other certificates, documents and other information as the DNRC, the DEQ or the Bond Counsel giving the opinion referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(b) In order to obtain a disbursement of a portion of the 2018 Loan to pay costs of the 2018 Project, the Borrower shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all attachments required by such form. The Borrower may obtain disbursements only for costs which have been legally incurred and are due and payable. All Loan disbursements will be made to the Borrower only upon proof that cost was incurred.

(c) For refinancings, a disbursement schedule complying with the requirements of the Safe Drinking Water Act shall be established by the DNRC and the Borrower at Closing.

(d) If all or a portion of the 2018 Loan is made to reimburse a Borrower for Project costs paid by it prior to Closing, the Borrower shall present at Closing the items required by Section 4.1(b) of this Supplemental Resolution relating to such costs. The Trustee shall disburse such amounts to the Borrower pursuant to a disbursement schedule complying with the requirements of the Safe Drinking Water Act established by the DNRC and the Borrower at the Closing.

(e) Notwithstanding anything else provided herein, the Trustee shall not be obligated to disburse the 2018 Loan any faster or to any greater extent than it has amounts available therefor in the Revolving Fund. The DNRC shall not be required to do “overmatching” pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The Borrower acknowledges that if Project costs are incurred faster than the Borrower projected at Closing, there may be delays in making 2018 Loan disbursements for such costs. The DNRC will use its reasonable best efforts to obtain an acceleration of such schedule if necessary.

(f) Upon making each 2018 Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2018 Bond.

(g) The Borrower agrees that it will deposit in the Reserve Account upon receipt thereof, on the date of the first advance under the 2018 Loan and any subsequent disbursement dates, any proceeds of the 2018 Loan borrowed for the purpose of increasing the balance in the Reserve Account in an amount then required to satisfy the Reserve Requirement. The Borrower further acknowledges and agrees that any portions of the 2018 Loan representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Debt Service Account. The amount of any such transfer shall be a credit against the interest payments due on the Series 2018 Bond and interest thereon shall accrue only from the date of transfer.

(h) Compliance by the Borrower with its representations, covenants and agreements contained in the Original Resolution, this Supplemental Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the 2018 Loan in whole or in part.

The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the 2018 Loan.

Section 4.2 Commencement of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Supplemental Resolution. However, the obligation to make payments under ARTICLE V hereof shall commence only upon the first disbursement by the Trustee of the 2018 Loan proceeds.

Section 4.3 Termination of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents in respect of the Series 2018 Bond shall terminate upon payment in full of all amounts due under the Series 2018 Bond and this Supplemental Resolution; provided, however, that the covenants and obligations provided in ARTICLE VI and Section 10.3 of this Supplemental Resolution shall survive the termination of this Supplemental Resolution.

Section 4.4 Loan Closing Submissions. On or prior to the Closing, the Borrower will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

ARTICLE V

REPAYMENT OF 2018 LOAN

Section 5.1 Repayment of 2018 Loan. The Borrower shall repay the amounts lent to it pursuant to Section 4.1 hereof, plus interest on the unpaid amounts lent at the rate of two percent (2.00%) per annum, in semiannual Loan Repayments. In addition, the Borrower shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge, each at the rate of twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loan. For purposes of this Supplemental Resolution and the Program, the term "Interest on the Loan" or "Interest on the 2018 Loan" shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge. The Borrower shall pay all Loan Repayments and Administrative Expense Surcharge and Loan Loss Reserve Surcharge in lawful money of the United States of America to the DNRC. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each.

The Loan Repayments required by this Section 5.1, and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, shall be due on each January 1 and July 1 (the "Payment Dates"), as follows:

- (a) interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal balance of the 2018 Loan shall be payable on each January 1 and July 1, beginning on July 1, 2019 and concluding on January 1, 2039; and

(b) the principal of the 2018 Loan shall be repayable on each Payment Date, beginning on July 1, 2019 and concluding on January 1, 2039, and the amount of each principal payment shall be calculated on the basis of substantially level debt service at an interest rate of 2.50% per annum; provided that principal of the 2018 Loan is payable only in amounts that are multiples of \$1,000.

The payments of principal of and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2018 Loan shall be due on the dates and in the amounts shown in Schedule B to the Series 2018 Bond, as such Schedule B shall be modified from time to time as provided below. The portion of each such Loan Repayment consisting of principal and the portion consisting of interest and the amount of each Administrative Expense Surcharge and the amount of each Loan Loss Reserve Surcharge shall be set forth in Schedule B to the Series 2018 Bond. Upon each disbursement of 2018 Loan amounts to the Borrower pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the Series 2018 Bond under "Advances" and the total amount advanced under Section 4.1, including such disbursement, under "Total Amount Advanced."

Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on each advance of the 2018 Loan shall accrue from the date the advance is made and shall be payable on each Payment Date thereafter. Once the completion certificate for the 2018 Project has been delivered to the DNRC, the Trustee shall revise Schedule B to the Series 2018 Bond in accordance with this Section 5.1 and the Trustee shall send a copy of such Schedule B to the Borrower within one month after delivery of the completion certificate.

Past-due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid.

Any payment of principal, interest or Administrative Expense Surcharge and Loan Loss Reserve Surcharge under this Section 5.1 shall also be credited against the same payment obligation under the Series 2018 Bond.

Section 5.2 Additional Payments. The Borrower shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the 2018 Loan, if the Borrower so chooses, all reasonable expenses of the DNRC and the Trustee in connection with the 2018 Loan, the Collateral Documents and the Series 2018 Bond, including, but not limited to:

(a) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2018 Bond;

(b) the fees and disbursements of Bond Counsel and other Counsel utilized by the DNRC and the Trustee in connection with the 2018 Loan, this Supplemental Resolution, the Collateral Documents and the Series 2018 Bond and the enforcement thereof; and

(c) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2018 Bond, whether or not the Series

2018 Bond are then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State's right, title and interest in and to the Series 2018 Bond, the Collateral Documents and this Supplemental Resolution and all expenses, including attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3 Prepayments. The Borrower may not prepay all or any part of the outstanding principal amount of the Series 2018 Bond unless (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2018 Bond is prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.

Section 5.4 Obligations of Borrower Unconditional. The obligations of the Borrower to make the payments required by this Supplemental Resolution and the Series 2018 Bond and to perform its other agreements contained in this Supplemental Resolution, the Series 2018 Bond and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The Borrower (a) shall not suspend or discontinue any payments provided for in this Supplemental Resolution and the Series 2018 Bond, (b) shall perform all its other agreements in this Supplemental Resolution, the Series 2018 Bond and the Collateral Documents and (c) shall not terminate this Supplemental Resolution, the Series 2018 Bond or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2018 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Resolution.

Section 5.5 Limited Liability. All payments of principal of and interest on the 2018 Loan and other payment obligations of the Borrower hereunder and under the Series 2018 Bond shall be special, limited obligations of the Borrower payable solely out of the Net Revenues, and shall not, except at the option of the Borrower and as permitted by law, be payable out of any other revenues of the Borrower. The obligations of the Borrower under the Resolution and the Series 2018 Bond shall never constitute an indebtedness of the Borrower within the meaning of any state constitutional provision or statutory or charter limitation and shall never constitute or give rise to a pecuniary liability of the Borrower or a charge against its general credit or taxing power. The taxing powers of the Borrower may not be used to pay principal of or interest on the Series 2018 Bond, and no funds or property of the Borrower other than the Net Revenues may be required to be used to pay principal of or interest on the Series 2018 Bond.

INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall to the extent permitted by law indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands,

expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the 2018 Project. The Borrower shall also, to the full extent permitted by law, indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

ARTICLE VII

ASSIGNMENT

Section 7.1 Assignment by Borrower. The Borrower may not assign its rights and obligations under the Resolution or the Series 2018 Bond.

Section 7.2 Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2018 Bond and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the Borrower.

Section 7.3 State Refunding Bonds. In the event the State Bonds and Additional State Bonds are refunded by bonds which are not Additional State Bonds, all references in the Resolution to State Bonds and Additional State Bonds shall be deemed to refer to the refunding bonds and any bonds of the State on a parity with such refunding bonds (together, the "Refunding Bonds") or, in the case of a crossover refunding, to the State Bonds and Additional State Bonds and the Refunding Bonds. In the event the State Bonds are refunded by an issue of Additional State Bonds, all references in the Resolution to the State Bonds shall be deemed to refer to such Additional State Bonds or, in the case of a crossover refunding, both the State Bonds and such Additional State Bonds.

ARTICLE VIII

THE SERIES 2018 BOND

Section 8.1 Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Series 2018 Bond the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2018 Bond are expected to be more than sufficient to pay the principal and interest when due on the Bonds, and to create and maintain reasonable reserves therefor, to provide an adequate allowance for replacement and depreciation, and to provide

adequate Surplus Net Revenues to pay Subordinate Obligations, including the Johnson Controls Loan, as prescribed herein.

Section 8.2 Issuance and Sale of the Series 2018 Bond. The Council has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the Borrower to issue the Series 2018 Bond to evidence the 2018 Loan. The Series 2018 Bond is issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433.

Section 8.3 Terms. The Series 2018 Bond shall be in the maximum principal amount equal to the Committed Amount, shall be issued as a single, fully registered bond numbered R-1, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2018 Loan. The principal of and interest on the Series 2018 Bond shall be payable on the same dates on which Loan Repayments are payable. Advances of principal of the Series 2018 Bond shall be deemed made when advances of the 2018 Loan are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2018 Bond, as it may be revised by the DNRC from time to time in accordance with Section 5.1.

The Borrower may prepay the Series 2018 Bond, in whole or in part, only upon the terms and conditions under which it can prepay the 2018 Loan under Section 5.3.

Section 8.4 Negotiability, Transfer and Registration. The Series 2018 Bond shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC. While so registered, principal of and interest on the Series 2018 Bond shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1539 Eleventh Avenue, Helena, Montana 59620-1601 or such other place as may be designated by the DNRC in writing and delivered to the Borrower. The Series 2018 Bond shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2018 Bond shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2018 Bond, and (2) the City Clerk-Treasurer of the Borrower (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2018 Bond and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The Borrower shall be entitled to deem and treat the Person in whose name the Series 2018 Bond is registered as the absolute owner of the Series 2018 Bond for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to satisfy and discharge the Borrower's liability upon such Series 2018 Bond to the extent of the sum or sums so paid.

Section 8.5 Execution and Delivery. The Series 2018 Bond shall be executed on behalf of the Borrower by the manual signatures of the Mayor and the City Clerk-Treasurer. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2018 Bond. The Series 2018 Bond shall be sealed with the corporate seal of the Borrower. In the event that any of the officers who shall have signed the Series 2018 Bond shall cease to be officers of the Borrower before the Series 2018 Bond is issued or delivered, their signatures shall remain binding upon the Borrower. Conversely, the Series 2018 Bond may be signed by an authorized official who did not hold such office on the date of adoption of this Supplemental

Resolution. The Series 2018 Bond shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6 Form. The Series 2018 Bond shall be prepared in substantially the form attached as Appendix B.

ARTICLE IX

SECURITY FOR THE SERIES 2018 BOND

The Series 2018 Bond is issued as an additional Bond under Section 8.2 of the Original Resolution, as amended, and the Series 2003 Bond, the Series 2009A Bond, the Series 2009C Bond, the Series 2016 Bond, the Series 2018 Bond and any other additional Bonds issued under the provisions of Article VIII of the Original Resolution (excluding Section 8.4 thereof), as amended, shall be equally and ratably secured by the provisions of the Resolution and payable out of the Net Revenues appropriated to the Debt Service Account of the Water System Fund, without preference or priority, all as provided in the Resolution, and secured by the Reserve Account, as further provided in Section 9.3 of the Original Resolution and in the following sentence. On the Closing Date, the Borrower shall deposit in the Reserve Account, from available funds of the System, an amount sufficient to cause the balance in the Reserve Account to equal the Reserve Requirement, treating all of the principal amount of the Series 2018 Bond as advanced at Closing. In the event the amount in the Reserve Account exceeds the Reserve Requirement as of the date of the final disbursement of proceeds of the Series 2018 Bond, the Borrower shall reduce the amount then in the Reserve Account to equal the Reserve Requirement, recognizing that none of the amounts in the Reserve Account shall be from proceeds of the Series 2018 Bond. Thereafter, upon each monthly apportionment, from the Net Revenues remaining after the apportionment to the Revenue Bond Account, the Borrower shall credit to the Reserve Account such additional Net Revenues as may be required to establish and thereafter maintain the balance in an amount equal, as of the date of calculation, to the Reserve Requirement. No payment of principal or interest shall be made on any Subordinate Obligation, including the Johnson Controls Loan, if the City is then in default in the payment of principal of or interest on any Bond or if there is a deficiency in the Operating Account or the Debt Service Account or the balance in the Reserve Account is less than the Reserve Requirement. The Borrower shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Resolution for the benefit of the registered holders from time to time of the Series 2018 Bond.

ARTICLE X

TAX MATTERS

Section 10.1 Use of 2018 Project. The 2018 Project and the System will be owned and operated by the Borrower and available for use by members of the general public on a substantially equal basis. The Borrower shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2018 Project or the System or security for the payment of the Series 2018 Bond which might cause the Series 2018 Bond, to be

considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 10.2 General Covenant. The Borrower covenants and agrees with the owners from time to time of the Series 2018 Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2018 Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2018 Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3 Arbitrage Certification. The Mayor and the City Clerk-Treasurer, being the officers of the Borrower charged with the responsibility for issuing the Series 2018 Bond pursuant to this Supplemental Resolution, are authorized and directed to execute and deliver to the DNRC a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2018 Bond, it is reasonably expected that the proceeds of the Series 2018 Bond will be used in a manner that would not cause the Series 2018 Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 10.4 Arbitrage Rebate Exemption.

(a) The Borrower hereby represents that the Series 2018 Bond qualifies for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the Borrower represents:

(1) Substantially all (not less than 95%) of the proceeds of the Series 2018 Bond (except for amounts to be applied to the payment of costs of issuance) will be used for local governmental activities of the Borrower.

(2) The aggregate face amount of all “tax-exempt bonds” (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds) issued by or on behalf of the Borrower and all subordinate entities thereof during 2018 is reasonably expected not to exceed \$5,000,000. To date in 2018, the Borrower has not issued any tax-exempt bonds.

(b) If notwithstanding the provisions of paragraph (a) of this Section 10.4, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Series 2018 Bond, the Borrower hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

Section 10.5 Information Reporting. The Borrower shall file with the Secretary of the Treasury, not later than February 15, 2019, a statement concerning the Series 2018 Bond containing the information required by Section 149(e) of the Code.

Section 10.6 “Qualified Tax-Exempt Obligation.” Pursuant to Section 265(b)(3)(B)(ii) of the Code, the Borrower hereby designates the Series 2018 Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The Borrower has not designated any obligations in 2018, other than the Series 2018 Bond, under Section 265(b)(3). The Borrower hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the Borrower and all “subordinate entities” of the Borrower in 2018 in an amount greater than \$10,000,000.

ARTICLE XI

CONTINUING DISCLOSURE

The Borrower understands and acknowledges that the DNRC is acquiring the Series 2018 Bond under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The Borrower covenants and agrees that, upon written request of the DNRC from time to time, the Borrower will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the Borrower prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time (such financial statements to relate to a fiscal year or any period therein for which they are customarily prepared by the Borrower, and, if for a fiscal year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The Borrower will also provide, with any information so furnished to the DNRC, a certificate of the Mayor and the City Clerk-Treasurer to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources and Conservation
1539 Eleventh Avenue
P. O. Box 201601
Helena, Montana 59620-1601
Attn: Conservation and Resource
Development Division

Trustee: U.S. Bank National Association
c/o Corporate Trust Services
1420 Fifth Avenue, 7th Floor
Seattle, Washington 98101
Attn: Corporate Trust Department

Borrower: City of Laurel
115 West First Street
Laurel, Montana 59044
Attn: City Clerk-Treasurer

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices or other communications shall be sent.

Section 12.2 Binding Effect. This Supplemental Resolution shall inure to the benefit of and shall be binding upon the DNRC, the Borrower and their respective successors and assigns.

Section 12.3 Severability. If any provision of this Supplemental Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of the Resolution or the enforceability of that provision at any other time.

Section 12.4 Amendments. This Supplemental Resolution may not be effectively amended without the written consent of the DNRC.

Section 12.5 Applicable Law. This Supplemental Resolution shall be governed by and construed in accordance with the internal laws of the State.

Section 12.6 Captions; References to Sections. The captions in this Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Supplemental Resolution. References to Articles and Sections are to Articles and Sections of this Supplemental Resolution, unless the context otherwise requires.

Section 12.7 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Supplemental Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, the DEQ or the Trustee, either directly or through the DNRC, the DEQ or the Trustee, or against any officer, or member of the governing body or employee of the Borrower, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of

the DNRC, the Trustee or the Borrower is hereby expressly waived and released by the Borrower and by the DNRC as a condition of and in consideration for the adoption of this Supplemental Resolution and the making of the Loan.

Section 12.8 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Supplemental Resolution or the Series 2018 Bond, shall not be Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Resolution or the Series 2018 Bond.

Section 12.9 Right of Others To Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent (10.00%) per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the 2018 Project or the facility or facilities of which the 2018 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 12.10 Authentication of Transcript. The officers of the Borrower are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2018 Bond and such other certificates and affidavits as may be required to show the right, power and authority of the Borrower to issue the Series 2018 Bond, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the Borrower as to the truth of the statements of fact purported to be shown thereby.

Section 12.11 Effective Date. This Supplemental Resolution shall take effect immediately.

Adopted by the City Council of the City of Laurel, Montana, on this 4th day of December, 2018.

Mayor

Attest: _____
City Clerk-Treasurer

(SEAL)

APPENDIX A

Description of the 2018 Project

The 2018 Project generally consists of design, engineering and construction of various improvements to the System, including replacement of the flocculation and sedimentation basins with covered basins; providing for automatic sludge removal in the sedimentation basins; installation of settled water pumping station to serve industrial uses; potential relocation of the Cherry Hills booster station; and related improvements.

Estimated 2018 Project Budget

Source:	TSEP	Renewable Resource Grant	Series 2018 Bond	City	CHS - WTP	CHS - River Bank & Security	Total All Sources
Personnel Costs	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Office Costs	\$0	\$0	\$0	\$1,800	\$0	\$0	\$1,800
Professional Services	\$21,500	\$0	\$0	\$31,500	\$0	\$0	\$53,000
Legal Costs	\$0	\$0	\$0	\$2,500	\$0	\$0	\$2,500
Audit Fees	\$0	\$0	\$0	\$7,000	\$0	\$0	\$7,000
Travel & Training	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500
Loan Reserves	\$0	\$0	\$0	\$156,969	\$0	\$0	\$156,969
Bond Counsel and Related Costs	\$0	\$0	\$0	\$17,000	\$0	\$0	\$17,000
Land Acquisition	\$0	\$0	\$0	\$40,000	\$0	\$0	\$40,000
Engineering Design - Sed Basins	\$0	\$0	\$0	\$373,000	\$120,000	\$0	\$493,000
Engineering Revise Plans & Rebid - Sed Basins	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Engineering Construction Admin - Sed Basins	\$110,000	\$0	\$0	\$390,000	\$125,000	\$0	\$625,000
Engineering Design & CA - Cherry Hills Booster Sta.	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Construction - Cherry Hills Booster Station	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Construction - Sedimentation Basins	\$368,500	\$125,000	\$4,170,697	\$1,500,000	\$1,555,000	\$100,000	\$7,819,197
Contingency	\$0	\$0	\$750,303	\$0	\$0	\$0	\$750,303
Total Project Costs	\$500,000	\$125,000	\$4,921,000	\$2,822,269	\$1,800,000	\$100,000	\$10,268,269

APPENDIX B

[Form of the Series 2018 Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF YELLOWSTONE

CITY OF LAUREL

WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
SERIES 2018

R-1

\$4,921,000

FOR VALUE RECEIVED, CITY OF LAUREL, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely from the Debt Service Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under “Total Amount Advanced,” with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the Borrower shall pay an Administrative Expense Surcharge and a Loan Loss Reserve Surcharge on the outstanding principal amount of this Bond each at the rate of twenty-five hundredths of one percent (0.25%) per annum, respectively. Principal, interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments payable on each January 1 and July 1 (each a “Loan Repayment Date”) commencing July 1, 2019 and concluding on January 1, 2039. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under “Total Loan Payment.” The portion of each such payment consisting of principal, the portion consisting of interest, the portion consisting of Administrative Expense Surcharge, and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B attached hereto. Upon each disbursement of 2018 Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced under the Supplemental Resolution, including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of Resolution No. [_____]. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of two and one-half percent (2.50%) per annum. Past-due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments

under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

This Bond is one of an issue of Water System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum authorized principal amount of \$4,921,000 (the "Series 2018 Bond"). The Series 2018 Bond is issued to finance a portion of the costs of the construction of certain improvements to the water system of the Borrower (the "System"). The Series 2018 Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, including Resolution No. R97-48 of the City adopted on September 4, 1997 (the "Original Resolution"), as amended and supplemented by Resolution Nos. R98-47, R03-26, R09-10, R09-124, R10-19, R10-124, R12-95, R16-48, and _____, adopted by the City Council on August 18, 1998, March 18, 2003, January 20, 2009, November 3, 2009, February 16, 2010, November 2, 2010, November 20, 2012, July 5, 2016, and December 4, 2018, respectively (the Original Resolution, as so amended and supplemented, the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given them in the Resolution. The Series 2018 Bond is issuable only as a single, fully registered bond. The Series 2018 Bond is issued on a parity with the Borrower's outstanding First Amended and Restated Water System Revenue Bond (DNRC Revolving Loan Program), Series 2003 (the "Series 2003 Bond"), Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2009A (the "Series 2009A Bond") Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2009C (the "Series 2009C Bond"), and Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2016 (the "Series 2016 Bond") (all such Bonds, collectively, the "Outstanding Bonds").

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2018 Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Outstanding Bonds (collectively with the Series 2018 Bond, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2018 Bond.

The Borrower may prepay the principal of the Series 2018 Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest, and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2018 Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

This Series 2018 Bond, including interest thereon, is payable solely from the Net Revenues pledged for the payment thereof and does not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2018 Bond is registered as the absolute owner hereof, whether this Series 2018 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2018 Bond may be transferred as hereinafter provided.

This Series 2018 Bond has been designated by the Borrower as a “qualified tax-exempt obligation” pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower will forthwith construct and complete the improvements to the System hereinabove described; that it will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and has created a special Water System Fund into which the gross revenues of the System will be paid, and a separate and special Debt Service Account in that Fund, into which will be paid each month, from and as a first and prior lien on the Net Revenues of the System then on hand, an amount equal to not less than the sum of one-sixth of the interest to become due within the next six months and one-twelfth of the principal to become due within the next twelve months with respect to all Bonds payable semiannually from that Account; that the Borrower has created a Reserve Account in such fund into which shall be paid additional Net Revenues, after required credits to the Debt Service Account sufficient to maintain a reserve therein equal to the Reserve Requirement; that the Debt Service Account will be used only to pay the principal of, premium, if any, and interest on the Bonds and any other additional Bonds issued pursuant to the Resolution on a parity therewith; that the rates and charges for the System will from time to time be made and kept sufficient, to provide gross revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System and to produce during each fiscal year Net Revenues in excess of such current expenses equal to 110% of the maximum amount of principal and interest payable from the Debt Service Account in any subsequent fiscal year; that additional Bonds and refunding Bonds may be issued and made payable from the Debt Service Account on a parity with the Outstanding Bonds upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Outstanding Bonds and additional parity Bonds on such Net Revenues; that all provisions for the security of the holder of this Series 2018 Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2018 Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2018 Bond and the interest hereon are payable solely from the Net Revenues of the System pledged and appropriated to the Debt Service Account and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2018 Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Laurel, Montana, by its governing body, has caused this Bond to be executed by the signatures of the Mayor and the City Clerk-Treasurer, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the _____ day of _____, 2018.

Mayor

(SEAL)

City Clerk-Treasurer

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the City Clerk-Treasurer as Registrar, has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the City of Laurel, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of City Clerk-Treasurer</u>
_____, 2018	Department of Natural Resources and Conservation 1539 Eleventh Avenue Helena, MT 59620	_____

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The City Clerk-Treasurer of the City, acting as Registrar, has transferred, on the books of the City, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, this Bond is hereby transferred and assigned by the undersigned holder, without recourse,
to _____ on this _____ day
of _____, _____.

By: _____
(Authorized Signature)

For: _____
(Holder)

SCHEDULE A

SCHEDULE OF AMOUNTS ADVANCED

[illegible]

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Administrative Expense Surcharge</u>	<u>Loan Loss Reserve Surcharge</u>	<u>Total Loan Payment</u>
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APPENDIX C
ADDITIONAL REPRESENTATIONS AND COVENANTS

None

Backup material for agenda item:

Resolution No. R18-84: A resolution of the City Council granting permission for a property owner to utilized decorative gravel and rock along a portion of the boulevard adjacent to the owner's property located in the City of Laurel.

RESOLUTION NO. R18-84

A RESOLUTION OF THE CITY COUNCIL GRANTING PERMISSION FOR A PROPERTY OWNER TO UTILIZE DECORATIVE GRAVEL AND ROCK ALONG A PORTION OF THE BOULEVARD ADJACENT TO THE OWNER'S PROPERTY LOCATED IN THE CITY OF LAUREL.

WHEREAS, the owner of the property located at 519 5th Avenue, in the City of Laurel, desires to change a portion of the boulevard located along the 6th Street portion of his property from grass to decorative gravel and rock; and

WHEREAS, Chapter 12.32.010 of the Laurel Municipal Code Laurel currently requires all boulevard's to be kept in grass and trees unless specific permission is granted for other purposes; and

WHEREAS, the property owner has filed a written request, in the attached letter which is hereby incorporated herein, seeking the City Council's permission to install decorative gravel and rock instead of the existing grass in the boulevard along the 6th Street portion of his property; and

WHEREAS, based on the location of the request, the City Council finds no reason to deny the request since the overall purpose of the City Code will remain unaffected regardless of the exception granted the property owner.

NOW THEREFORE BE IT RESOLVED the City Council of Laurel hereby grants permission, pursuant to Chapter 12.32.010 of the Laurel Municipal Code, to the property owner at 519 5th Avenue, Laurel Montana, to change a portion of the boulevard located along 6th Street near the property from grass to decorative gravel and rock; and

BE IT FURTHER RESOLVED, if the property owner removes the gravel and rock, he/she shall return the same to grass. Tree Planting shall be in accordance with the Laurel Municipal Code.

Introduced at a meeting of the City Council on December 4, 2018, by Council Member _____.

PASSED and ADOPTED by the City Council of the City of Laurel, Montana, this 4th day of December 2018.

CITY OF LAUREL

Thomas C. Nelson, Mayor

ATTEST:

Bethany Langve, Clerk-Treasurer

APPROVED AS TO FORM:

Sam Painter Civil City Attorney

CODE ENFORCEMENT FIELD NOTES

Date: 10/16/2018

No.: 18-10207

Location: 519 5th Avenue

Legal Description: Township: 02 S Range: 24 E Section: 09

Subdivision: Laurel Heights **Block:** 14 **Lot(s):** 11-12

Geo Code: 03-0821-09-3-38-07-0000 COS: Tax ID: B00695

Owner: George H & Joey D Eastman 406-281-0122

Address: 519 5th Avenue Laurel, MT 59044-2311

1st Inspection: 10/16/18: Inspection finds that the piles of rock that had been reported on September 25, 2018 still remain on the boulevard constituting storage on the boulevard in violation of LMC §12.32.010.

1 photo taken

10/24/18: Call from George stating that he was taking out the grass and replacing it with gravel and rock on his boulevard along the W. 6th Street side back to the alley. I stated that he would need to send letter to City Council to get permission to allow him to do so as this is what the LMC states. He stated that he would do so and requested an extension until he finds out if possible. Extension granted.

11/9/18: Per Brittney Moorman the request has been placed on the 11/27/18 agenda for City Council.

Notice Sent: 10/17/18 Follow-Up Date: _____

2nd Inspection: _____

Notice Sent: _____ Follow-Up Date: _____

Certified: _____

Follow-Up: _____

Violation Resolution: **Compliance:** **Citation:**

No Violation:

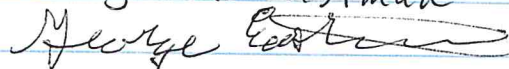
Dear Sir or Madam,

I am writing to ask permission to keep my landscape rocks on the boulevard at 519 5th Ave. on the 6th street side.

I am currently doing some landscaping in my front and back yard. The large rocks are for finishing the back yard. They are very heavy and I would like to only have to move them once. I plan to be finished with the landscaping by mid-spring of 2019. I plan to work on it through the winter, weather permitting.

I would also like to ask permission to ~~remove~~ place ground cover on the boulevard and cover it with gravel. I also plan to plant some trees if I may.

Thank you for your time and consideration.

George H. Eastman


9-2-18

Chapter 12.32

TREES AND BOULEVARDS*

Sections:

- 12.32.010 Boulevards to be kept in grass and trees.
- 12.32.020 Boulevards—Regulation of trees on.
- 12.32.030 Cottonwood trees prohibited.
- 12.32.040 Definitions.
- 12.32.050 Creation and establishment of a city tree board.
- 12.32.060 Term of office.
- 12.32.070 Compensation.
- 12.32.080 Duties and responsibilities.
- 12.32.090 Operation.
- 12.32.100 Tree species to be planted.
- 12.32.110 Spacing.
- 12.32.120 Distance from curb and sidewalk.
- 12.32.130 Distance from street corners and fireplugs.
- 12.32.140 Utilities.
- 12.32.150 Public tree care.
- 12.32.160 Pruning standards.
- 12.32.170 Tree topping.
- 12.32.180 Pruning and corner clearance.
- 12.32.190 Dead or diseased tree removal on private property.
- 12.32.200 Protection of trees.
- 12.32.210 Interference with the city tree board.
- 12.32.220 Arborist's license and bond.

12.32.230 Authority of adjoining property owner to plant or care for trees on boulevard or parkways.

12.32.240 Removal, cutting and injury.

12.32.250 Interference with trees by house mover, permit required.

12.32.260 Procedure for temporary removal.

12.32.270 Insects and diseases—Declared nuisance.

12.32.280 Spraying.

12.32.290 Review by the city council.

12.32.300 Violation—Penalty.

* Prior code history: Prior code §§ 11.36.010, 20.12.010 and 20.12.020.

12.32.010 Boulevards to be kept in grass and trees.

All boulevard areas must be kept in grass and trees unless specific permission is granted by the city council for other purposes. Any person failing to comply or violating the provisions of this section shall be deemed guilty of a misdemeanor. (Ord. 05-1 (part), 2005)

12.32.020 Boulevards—Regulation of trees on.

The owner of property adjoining a boulevard shall be responsible for the care and maintenance of the boulevard and he shall keep the trees planted thereon trimmed and in a condition so that the same shall not be a public nuisance; and, if necessary for the city to remove any trees from such boulevard, the costs of such removal shall be assessed against the abutting property owner. (Ord. 05-1 (part), 2005)

12.32.030 Cottonwood trees prohibited.

No cottonwood trees shall be planted or allowed to grow on private property or